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SOUTH CAROLINA MEDICAID

Annual Report
for
State Fiscal Year 2004
(July 1, 2003 – June 30, 2004)

Department of Health and Human Services

Robert M. Kerr, Director

The mission of the South Carolina Department of Health and Human Services is to manage the state's Medicaid program to provide the best healthcare value for South Carolinians.

To do this, DHHS employees are committed to the following agency goals:

- To provide a benefit plan that improves member health, is evidence-based, and is market-driven;
- To provide a credible and continually improving eligibility process that is accurate and efficient; &
- To provide administrative support at the best possible value to ensure programs operate effectively.

State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Robert M. Kerr
Director

March 2005

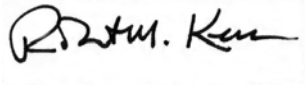
On behalf of the Department of Health and Human Services, I am pleased to present the South Carolina Medicaid State Fiscal Year 2004 Annual Report. This effort represents the first time the agency has compiled a report of this type. We believe it is important to fully disclose the results of our operations and, by direction of the Governor, have prepared the report in accordance with Executive Order 2003-23.

The state's Medicaid program provides basic health care coverage for approximately 850,000 South Carolinians at an annual cost of about $4 billion. The program provides critical care for our youngest and oldest citizens. Medicaid funds approximately half of all births and almost three quarters of all nursing home beds in the state. Though the Department manages the majority of the $4 billion, about $900 million is expended by the various state agencies that provide Medicaid services.

The program experienced some positive developments over the last fiscal year. The most significant was a growth rate of only 5.8% that is down sharply from previous years. Despite this past success, we recognize that there are many inflationary pressures on the health care system that will continue to strain resources. Therefore, we will work diligently on fundamental reform to increase the purchasing power of those funds with which we are entrusted.

We are grateful for the opportunity to serve the citizens of this state and hope we have succeeded in presenting a clear picture of the successes and challenges of this complex program.

Sincerely,



Robert M. Kerr

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Values

The characteristics by which we will do our jobs at DHHS:

Service	we are dedicated to service; we will place others first.
Excellence	we are committed to constant improvement and will persevere in achieving quality with efficiency.
Responsive	we will be alert and react quickly to the needs of those we serve; we embrace opportunities to improve our processes.
Value	we will ensure that all of our decisions and actions are measured by the value they return; we guarantee honest and open measurement of outcomes.
Everyone	we are a team; every employee is involved in our success; we believe in servant leadership and empowering employees to solve customer problems; as a team we will encourage and hold each other accountable.

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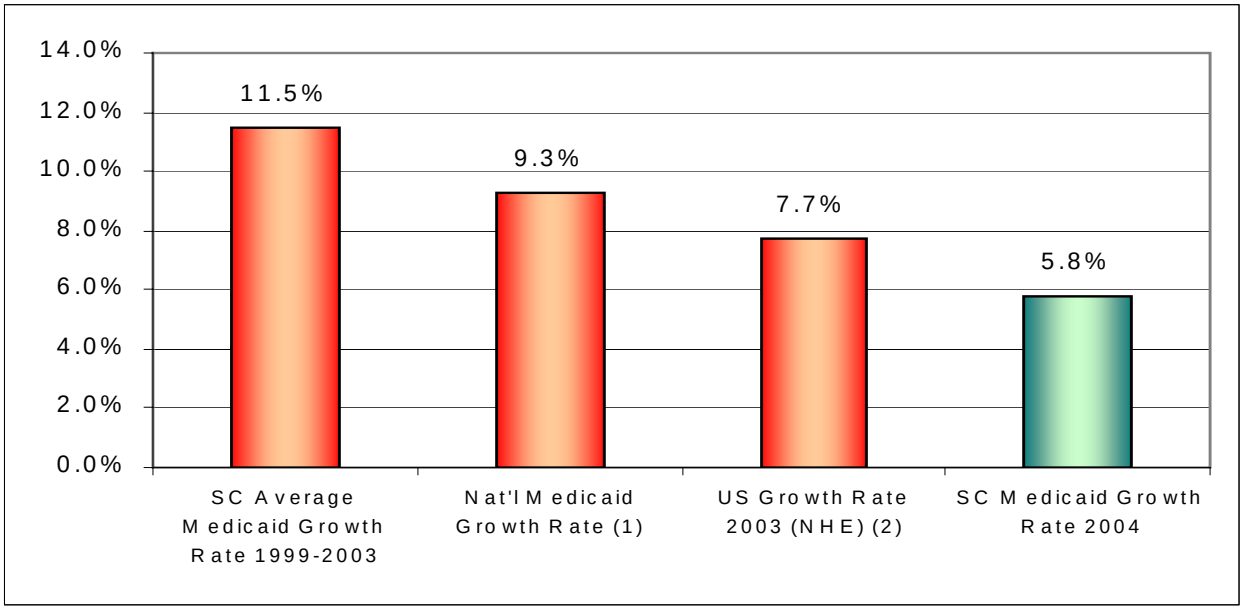
Overview

HIGHLIGHTS OF SFY 2004

Medicaid Growth Controlled

Through aggressive cost-containment measures implemented by the Department of Health and Human Services (DHHS) and discussed later in this report, the South Carolina Medicaid program experienced growth of only 5.8% in SFY 2004. Growth in prior years averaged 11.5%. Nationally, Medicaid growth averaged 9.3% in 2003 and total health care spending grew 7.7%.

Comparison of Health Care Growth Rates
State Fiscal Year 2004



(1) Source: Kaiser State Fiscal Conditions and Medicaid, Release November 2003.
(2) Source: CMS National Healthcare Expenditure Annual Projections.
(3) Does not include Disproportionate Share payments.

Pharmacy

A primary reason Medicaid growth was held to less than 6% in SFY 2004 is the significant decrease experienced in the growth of pharmacy expenditures. Following the pattern of previous years, pharmacy expenditures continued to grow about 28% during the first few months of SFY 2004. However, during the second half of the year, the growth rate was cut in half.

DHHS employed several measures to contain costs, including:

Pharmacy & Therapeutics Committee
DHHS initiated its Pharmacy and Therapeutics Committee to clinically evaluate and establish a preferred drug list for Medicaid.

Over-ride Enforcement
In SFY 2004, DHHS began more stringent enforcement of its monthly pharmacy limits. Most adult recipients are allowed four prescriptions a month. In the past, recipients requiring additional prescriptions could still have them filled if the pharmacist believed the drug was for a life-threatening condition. In SFY 204, DHHS implemented controls in this process to move the determination from a subjective to objective one allowing over-rides only for certain drugs.

Disproportionate Share

Disproportionate Share (DSH) payments reimburse hospitals serving a disproportionate number of uninsured patients for their un-reimbursed costs. These payments were threatened in SFY 2004 when the federal government changed its interpretation of certain DSH provisions. The Governor, DHHS, and members of the state's Congressional delegation and legislature negotiated a transition period for South Carolina that protected this program and the funding it provides to many of the state's hospitals and agencies.

Care Coordination

DHHS contracted with Better Health Plans to expand the number of Medicaid managed care providers in the state. Together with Select Health, about 78,000 Medicaid recipients were enrolled in managed care during SFY 2004. Additionally, DHHS developed its own care coordination model in which local physicians work as a cooperative to manage Medicaid recipients in their area. The goal is to establish a doctor to serve as a "medical home" for each Medicaid recipient.

Recipient Co-Pays

To encourage responsible use of services and reduce costs, DHHS implemented co-pays during SFY 2004. By federal law, co-pays cannot be required of pregnant women, children, or beneficiaries living in institutions. Emergency services are also exempt. Current Medicaid co-pays are:

- Inpatient Hospital - $25
- Outpatient Hospital (non-ER) - $3
- Durable Medical Equipment - $3
- Dentist - $3
- Pharmacy for those over 19 - $3
- Physician Office Visits - $2
- Nurse Practitioner / Midwife- $2
- Ambulatory Surgical Center - $2
- Home Health - $2
- Optometrist - $2
- Chiropractor - $1
- Podiatrist -$1

Fraud & Abuse Collections

In SFY 2004, DHHS recovered nearly $15 million from providers, recipients, and other sources. As shown on the bar graph on page 33, this amount is more than double the amount recovered in the prior fiscal year.

Claims Submission and Eligibility Verification System

A web-based eligibility verification service was developed to allow Medicaid providers to submit claims electronically to increase the efficiency of the claims process. In addition, this system provides care providers real-time information on the Medicaid eligibility status of their patients, as well as the number of visits a person has had. In addition, the claims submission and eligibility verification system indicates if a Medicaid recipient has third party insurance.

Agency Restructuring

In SFY 2004, Governor Mark Sanford worked with DHHS to transfer certain programs to the Department of Social Services (DSS). In addition to aligning these programs within the agency best suited to oversee them, this transfer allowed DHHS to focus on managing the state Medicaid program. These programs moved to DSS:

Child Care Development Fund (CCDF) - which provides child-care assistance for parents who are transitioning off welfare and for low-income parents, who are working, furthering their education or are disabled;

Social Services Block Grant (SSBG) - which provides funding for services in areas like child and adult protection, child-care, and home-based alternatives to institutional care of children and adults.

Current and Future Challenges

Pharmacy Program Changes

In December of 2003, President Bush signed the Medicare Modernization & Improvement Act. This bill created, effective January 2006, a voluntary drug benefit for Medicare recipients – known as Medicare Part D. This monumental development in the federal Medicare program will significantly impact South Carolina Medicaid.

Medicare Part D Challenges

- Making "Clawback" payments to the federal government
- Ensuring Medicaid & SILVERxCARD recipients receive the full benefit Part D can offer them
- Managing the low-income assistance eligibility determination process for enrollees

First, almost one half of Medicaid's typical annual drug expenditures will be shifted to the Medicare program. This change will not mean a savings to the Medicaid program, at least not initially. The federal government is requiring the state to continue picking up some of the tab for these drug costs through a "Phased Down State Contribution" – commonly referred to as the "clawback."

The final financial impact that the Medicare drug benefit and the clawback will have on South Carolina has not been determined. Unfortunately, the formula used to calculate the state's payment is based on 2003 state pharmacy costs. This will inflate DHHS' clawback, because it does not take into account recent pharmacy cost containment efforts and the reduced growth rate produced in SFY 2004.

Second, the onset of Part D may affect the state's SILVERxCARD program. Since SILVERxCARD is a Medicaid pharmacy waiver program, and uses Medicaid money, enrollees cannot participate in both SILVERxCARD and the Medicare Part D benefit. This forces states with programs like SILVERxCARD to examine whether or not to continue such coverage. DHHS is working with state leaders to consider directing state SILVERxCARD expenditures to another effort that will supplement the benefits available through Part D.

Finally, the federal law requires that DHHS perform eligibility determinations for those entitled to low-income subsidies under Part D. DHHS is working with the federal government to determine the full impact this requirement will have on the agency's eligibility staff.

Containing Growth

Despite DHHS' success in controlling the Medicaid growth rate in SFY 2004, health care market forces continue to put pressure on Medicaid spending in all states. Rising pharmacy and technology costs, escalating medical malpractice premiums and shortages in fields such as nursing all put pressure on Medicaid providers, particularly hospitals and nursing homes. These providers, among some others, are reimbursed on a cost basis meaning that, when their costs rise, the cost of Medicaid rises. To address these and other growth-related issues, DHHS is looking at ways to restructure Medicaid delivery, promote disease prevention, and manage the costs and utilization of Medicaid service lines.

Eligibility Processing

DHHS assumed this responsibility from the Department of Social Services in SFY 2003. The system DHHS took over was backlogged and not adequately staffed. DHHS identified several areas that needed to be improved in order to have a credible and efficient eligibility function. These included funding, staffing, training and system development. This vital component of the Medicaid program still needs major improvements in efficiency and accuracy. Two additional changes are being evaluated: A change in the way front line eligibility workers are paid to link pay to performance (both the number and accuracy of cases processed); and, acquisition of a new computer system that will provide more automated support to the workers.

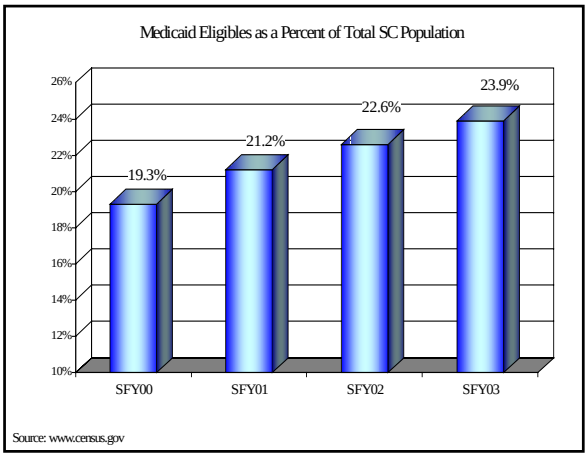
Eligibility

Eligibility Criteria

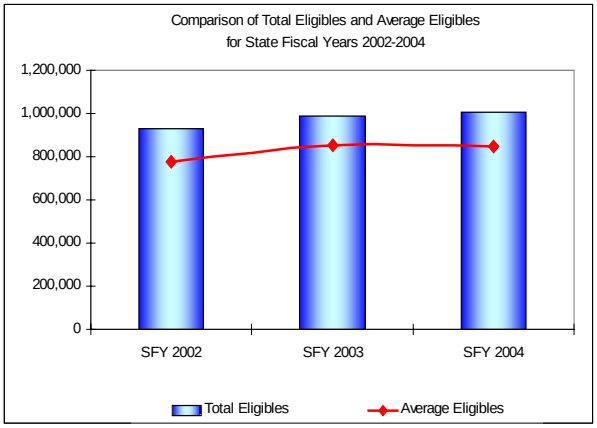
Who is Eligible for Medicaid?

Over the last two decades, Medicaid has changed from a program that insured only those who were poor enough to receive public assistance checks and also were aged, blind or disabled, or single parent families with dependent children, to an insurance program for the poor. It is now "delinked" from cash assistance programs.

Approximately 847,000 South Carolinians were enrolled in Medicaid at the end of SFY 2004. Over the course of the twelve-month fiscal year, Medicaid insured more than one million individuals, or roughly 24% of the state's total population.



The eligibility of each recipient must be re-determined at least annually. Prior to SFY 2004, a Medicaid eligible could remain eligible each year without any action. This passive renewal process only required enrollees to submit information if their income or household size changed. Now, eligibles must submit documentation about income annually. This policy change contributed to a decline in the monthly average eligibility totals during SFY 2004, from a July 2003 high of more than 875,000 to about 847,000 in June 2004.



Not all people who are eligible for Medicaid use a service for which Medicaid makes a payment. To distinguish the two, DHHS refers to those who are enrolled in Medicaid as "eligibles" and those who actually use a service as "recipients." During SFY 2004, Medicaid paid at least one claim for 86% of the eligibles.

Medicaid eligibles generally fall into two groups: families with dependent children and aged, blind or disabled. Almost two thirds of Medicaid eligibles are families with dependent children and about one third are aged, blind or disabled. Eligibility categories that make up families with dependent children include Low Income Families, Pregnant Women and Infants, and Children. Various elderly and disabled categories comprise the Aged, Blind and Disabled group.

Medicaid Eligibles by Major Category
State Fiscal Year 2004

County	Low Income Families	Pregnant Women and Infants	Children	Elderly	Disabled	Total
ABBEVILLE	2,165	456	1,918	2,283	727	7,549
AIKEN	13,740	2,716	10,683	3,821	4,540	35,500
ALLENDALE	1,806	262	1,247	622	782	4,719
ANDERSON	10,947	2,349	12,777	7,179	5,082	38,334
BAMBERG	2,424	313	1,617	843	752	5,949
BARNWELL	2,761	628	2,598	956	1,229	8,172
BEAUFORT	6,710	2,345	8,559	1,737	2,223	21,574
BERKELEY	13,730	2,751	11,778	2,406	3,177	33,842
CALHOUN	1,485	203	1,429	659	544	4,320
CHARLESTON	22,237	5,943	24,947	6,443	9,644	69,214
CHEROKEE	4,659	894	4,807	2,239	1,788	14,387
CHESTER	4,213	679	3,237	1,907	1,328	11,364
CHESTERFIELD	5,753	833	4,377	2,207	1,921	15,091
CLARENDON	4,182	596	3,857	1,749	1,710	12,094
COLLETON	5,549	769	4,439	1,619	2,141	14,517
DARLINGTON	8,266	1,320	6,299	2,889	2,890	21,664
DILLON	5,615	713	3,413	1,883	1,925	13,549
DORCHESTER	7,166	1,553	7,405	1,902	2,855	20,881
EDGEFIELD	1,851	344	1,809	909	742	5,655
FAIRFIELD	2,465	356	2,675	1,190	981	7,667
FLORENCE	16,874	2,307	9,673	5,570	6,053	40,477
GEORGETOWN	6,121	950	5,748	1,993	2,204	17,016
GREENVILLE	27,574	5,446	24,823	12,523	10,618	80,984
GREENWOOD	5,297	1,068	5,837	2,726	2,006	16,934
HAMPTON	2,886	432	2,590	959	1,134	8,001
HORRY	21,740	4,125	16,642	5,316	5,816	53,639
JASPER	2,713	553	2,418	708	754	7,146
KERSHAW	4,204	931	4,536	1,820	1,809	13,300
LANCASTER	5,437	1,374	5,153	3,157	1,910	17,031
LAURENS	4,996	946	5,837	2,789	3,070	17,638
LEE	2,908	439	2,681	1,131	1,046	8,205
LEXINGTON	15,891	3,641	14,448	4,757	4,367	43,104
MCCORMICK	769	102	692	492	355	2,410
MARION	5,978	759	4,053	2,156	1,925	14,871
MARLBORO	3,780	674	3,760	1,674	1,814	11,702
NEWBERRY	3,492	711	2,833	1,795	1,209	10,040
OCONEE	5,940	869	4,700	2,677	1,910	16,096
ORANGEBURG	11,599	2,385	10,103	4,391	4,519	32,997
PICKENS	7,585	1,130	6,367	3,943	2,575	21,600
RICHLAND	25,483	5,175	20,106	6,455	9,563	66,782
SALUDA	1,640	360	1,703	932	605	5,240
SPARTANBURG	17,465	4,572	18,759	10,496	8,397	59,689
SUMTER	12,908	1,900	9,034	3,688	4,302	31,832
UNION	2,779	462	2,605	1,949	1,349	9,144
WILLIAMSBURG	4,984	642	4,697	2,065	2,157	14,545
YORK	11,350	2,537	10,012	4,427	3,761	32,087
Total	360,117	70,513	319,681	136,032	132,209	1,018,552

Source: RSS3870

Mandatory & Optional Categories

Federal law requires coverage of some categories of recipients. These categories are called "mandatory." There are some categories that states are allowed to decide whether to cover. These are "optional" categories. The mandatory and optional categories included in the South Carolina Medicaid program are shown below.

Mandatory

- Pregnant Women and Infants up to 185% of Poverty
- Children up to age six up to 133% of Poverty
- Children ages six to 19 up to 100% of Poverty
- Low Income Families with dependent children up to 50% of Poverty
- Coverage for one year for Families that lose TANF because they go to work
- Foster Care Children
- Qualified Medicare Beneficiaries up to 100% of Poverty for Medicare premiums and co-pays only
- Special Low-Income Beneficiaries (Medicare recipients with income to 135%, for Medicare premium payment only)

Optional

- Aged, Blind and Disabled up to 100% of Poverty
- Medical Assistance Only for Nursing Homes up to 3 times SSI payment
- Medical Assistance Only for Hospitals up to 3 times SSI payment
- SCHIP – children not eligible as mandatory up to 150% of Poverty
- TEFRA (Katie Beckett) for severely disabled children who need institutional care
- State Optional Supplement Recipients (residential care facility residents)
- Working Disabled up to 250% of Poverty
- Breast and Cervical Cancer
- Silver Card (seniors up to 200% of poverty, pharmacy coverage only)
- Family Planning Waiver, (women of child bearing age up to 185% of poverty for family planning services only)

Income Limits

Most income-related eligibility criteria are determined by the federal poverty guidelines established by the United States Department of Health and Human Services. Monthly income limits vary by category of eligibility as indicated below.

Yearly Income Limits – Aged & Disabled Related Eligibility Groups

	PERCENT OF FEDERAL POVERTY LEVEL			
	100%	**135%**	**200%**	**250%**
	Coverage Groups			
	AGED, BLIND, DISABLED *(optional)* QUALIFIED MEDICARE BENEFICIARIES *(mandatory)*	SPECIFIED LOW INCOME MEDICARE BENEFICIARIES *(mandatory)*	QUALIFIED WORKING DISABLED INDIVIDUALS *(mandatory)*	WORKING DISABLED *(optional)*
	$9,310	**$12,569**	**$18,620**	**$23,275**

Yearly Income Limits - Family Related Eligibility Groups

Family Size	PERCENT OF FEDERAL POVERTY LEVEL				
	50%	**100%**	**133%**	**150%**	**185%**
	Coverage Groups				
	LOW INCOME FAMILIES *(mandatory)*	CHILDREN 6 thru 18 *(mandatory)*	CHILDREN 1 thru 5 *(mandatory)*	SCHIP- children not eligible as mandatory *(optional)*	PREGNANT WOMEN/ INFANTS *(mandatory)*
1	**$4,655**	**$9,310**	**$12,383**	**$13,965**	**$17,224**
2	**$6,245**	**$12,490**	**$16,612**	**$18,735**	**$23,107**
3	**$7,835**	**$15,670**	**$20,842**	**$23,505**	**$28,990**
4	**$9,425**	**$18,850**	**$25,071**	**$28,275**	**$34,873**

Demographic Groups

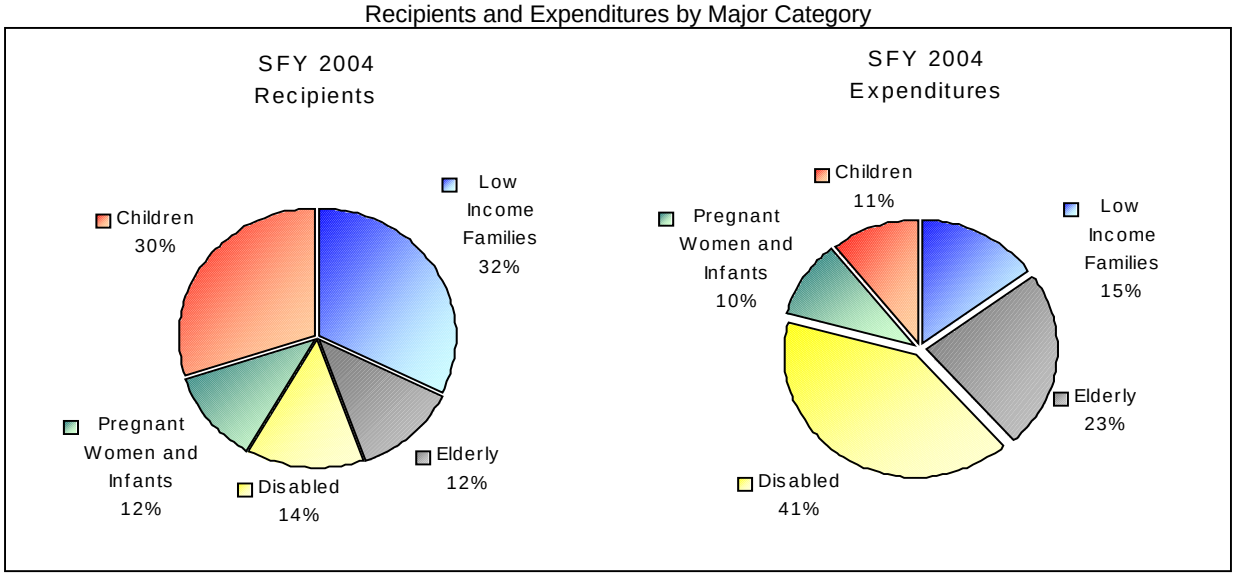
A different way of understanding those eligible for Medicaid is to look at the age breakouts. For example, children can be eligible under the Pregnant Woman and Infants, Children, Low Income Families, or Disabled categories. Fifty-five percent of all Medicaid recipients are children (age 18 or younger). In contrast, only thirty percent of the Medicaid funds are spent on children.

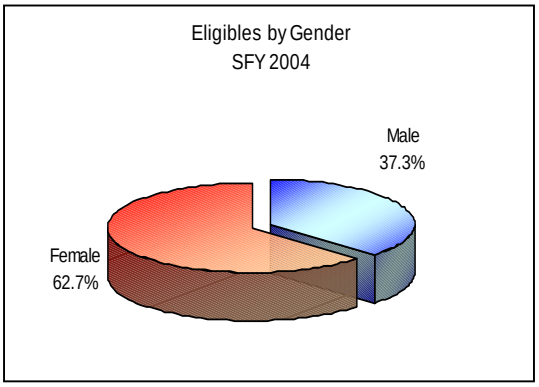
Those 65 and older make up only 12% of recipients and account for 23% of expenditures. Seniors have Medicare coverage as primary, and the largest Medicaid expenditure is for prescriptions. Three different categories of adults are included in the group of those age 19-64. These are pregnant women, disabled adults and parents in families with income up to 50% of poverty.

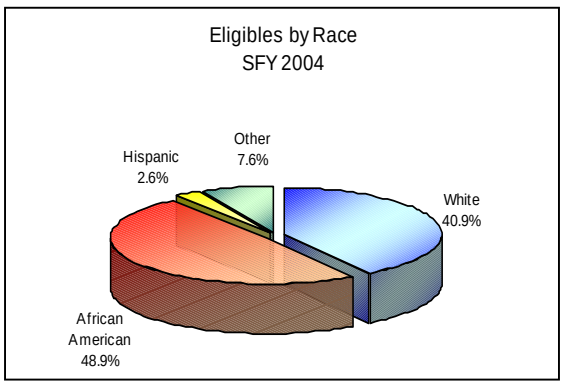
Almost 63% of Medicaid eligibles are female while 41% of all eligibles are white and 49% are black.

Hispanics make up a small but rapidly growing component, which in FY 2004 represented 2.6%.

Recipients and Expenditures by Major Category







Eligibility Challenges

When DSS operated the Medicaid eligibility system, DSS provided $7.5 million dollars in state match and DHHS provided $7.5 million in state match. When the transfer of the Medicaid Eligibility function to DHHS was negotiated in SFY 2002, the $7.5 million that DSS had provided was not included. During SFY 2003, the focus was on integrating eligibility staff into DHHS and setting up infrastructure. DHHS entered SFY 2004 with limited resources and large backlogs of applications that had not been processed. In addition, staff retention, training issues and obsolete computer resources were compounding the problems in Eligibility. By focusing on the funding, staffing, training and systems needs, DHHS was able to begin addressing these concerns and move the Eligibility function closer to the accountable, credible system the state deserves. The following offer further explanation of the challenges facing Medicaid Eligibility and the steps DHHS is taking to continue improving the system.

Organization

DSS eligibility processing functions were organized by county. While a county structure is reasonable for agencies that have a large staff in each county, this organization caused significant workflow problems when Medicaid eligibility was moved to DHHS. Staff was overwhelmed in taking applications and answering inquiries. Little time was left for processing applications and annual re-determinations. In small counties, when staff was absent for extended periods due to illness, workloads were left uncovered. To address this, DHHS has:

- Contracted with the University of South Carolina to study workflow efficiency,
- Elevated the oversight of eligibility at DHHS so that a Deputy Director is now fully devoted to eligibility,
- Reorganized into regional offices to provide additional coverage,
- Maintained intake for applications in each county,
- Separated the functions of intake, processing, and annual re-determinations so that workers are specialized and organized functionally, thereby eliminating backlogs that may develop due to worker illness or vacancies,
- Established standards of promptness for case processing,
- Processed 10,000 cases transferred to DHHS with no case information,
- Worked large backlogs of initial and renewal applications, and
- Developed management reports so that work is routinely monitored and developing problems are identified and resolved.

Training

Worker training had been neglected. This resulted in a high procedural error rate in casework and neglect of complex cases. DHHS has taken the following steps:

- New workers were scheduled for training as a part of the hiring process,
- A regular training calendar was developed, and
- Training resources were added at the local level, and eight regional training positions were established.

Staffing

Over thirty percent of the positions shifted to DHHS were vacant. Supervisors were routinely carrying full caseloads and unable to monitor the work of their employees. DHHS has taken the following actions:

- Streamlined hiring and recruitment procedures,
- Provided training for new workers at the time they are hired,
- Added temporary staff to reduce caseloads,
- Relieved most supervisors of caseloads, and
- Contracted with USC for Quality Assurance Reviews.

Computer System

DHHS determined that the system used by DSS did not allow the flexibility to support future Eligibility needs. DHHS began developing a new system. However, under the prior administration, the decision was made to implement the new system before it was ready. The "unfinished" new system placed an extraordinary burden on the front line workers. It did not provide management reports and increased the work required to enter new cases and new information.

DHHS has:

- Streamlined some of the procedures required of the workers,
- Developed training for all workers on the new system,
- Provided new computers for all staff,
- Reduced lost time related to the computer system being "down" from 1 day/week/worker to1 hour/week, and
- Began evaluating new systems to automate many calculations and reduce repetitious data input.

Disability Determinations

At the time DHHS assumed responsibility for eligibility, the prior administration cancelled the contract with the Department of Vocational Rehabilitation (VR) for disability determinations. DHHS had neither the resources nor expertise to carry out this function. Large backlogs developed in Disability and TEFRA (Katie Beckett) cases. Disability applications always take longer than others because of the required medical review of complex records. DHHS has:

- Reduced the average processing time for a disability determination by 75%,
- Implemented tracking systems that require timely action on files,
- Developed a contract with VR to process new disability determinations. The contract is being phased-in and will be fully in place for SFY 2006,
- Maintained existing resources to reduce the backlog - it should be eliminated by the spring of 2005, and
- Revised application forms to provide more information to the applicant so they may actively request medical records from their providers. There has been a lengthy delay between the

time DHHS requests medical records and the time a medical provider sends the medical records.

Caseload

The workload in Medicaid eligibility is high. During SFY 2004, DHHS received approximately 290,000 applications for new cases. Of these, approximately 230,000 were approved and 60,000 denied or withdrawn. An additional 320,000 annual renewals were processed.

To continue to increase efficiency, DHHS plans to tie pay to performance for frontline workers so that they have a monetary incentive to be as accurate and productive as possible. DHHS also plans to evaluate new developments in computer systems for eligibility that may provide more automated support to the workers.

Eligibility Workload for SFY 2004

New Applications	
Received	290,000
Approved	230,000
Denied or Withdrawn	60,000
Annual Redeterminations	320,000
Total Processed	610,000

Medical Services

Mandatory & Optional Services

States are not required to have a Medicaid program. If a state chooses to participate in this federal funding stream, the state must submit a State Medicaid Plan to the federal government. This plan outlines how the state will administer its program. The state must comply with certain federal requirements unless those requirements have been waived upon request of the state. Services required by the federal government are called "mandatory." States can elect to offer additional services. These are referred to as "optional."

Mandatory Services

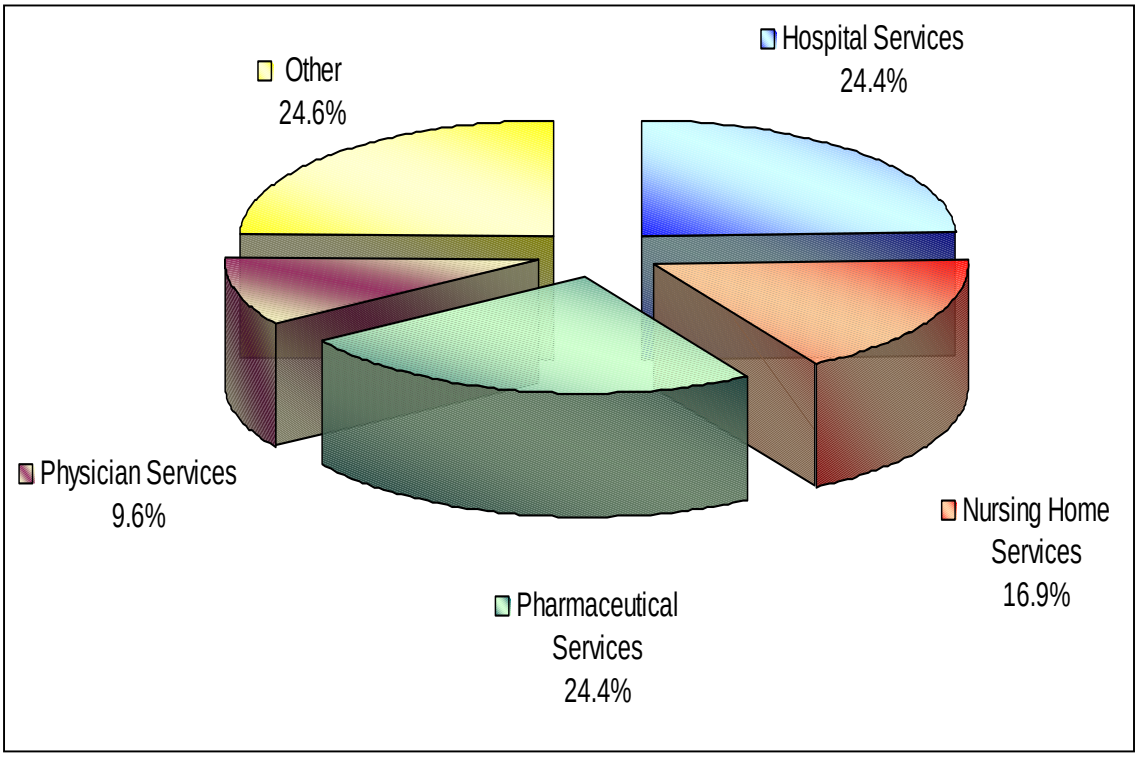
- Inpatient Hospital
- Outpatient Hospital
- Laboratory and X-ray
- Rural Health Clinic
- Federally Qualified Health Center
- Certified pediatric and Family Nurse Practitioners
- Nursing Facility Services for beneficiaries age 21 and older
- Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) for children
- Family Planning Srvices and Supplies
- Physician Services
- Medical and Surgical Services of a Dentist
- Home Health Services for beneficiaries entitled to nursing facility services
- Nurse Mid-wife Services
- Pregnancy related services and postpartum pregnancy related services

Optional Services

- Pharmacy
- Other Licensed Practitioners
  - Chiropractors
  - Podiatrists
  - Optometrists
  - Psychologists
  - Nurse Anesthetist
- Private Duty Nursing
- Physician Directed Clinic Services
- Home Health Therapies
- Dental Services/Dentures
- Physical Therapy
- Occupational Therapy
- Therapies for Speech, Hearing, and Language Disorders
- Durable Medical Equipment
- Prosthetic Devices
- Eyeglasses
- Diagnostic Services
- Screening Services
- Preventive Services
- Rehabilitative Services
- Intermediate Care Facility Services for the Mentally Retarded
- Inpatient Psychiatric Services for Children under age 21
- Personal Care Services
- Case Management
- Hospice Care
- Respiratory Care for Ventilator Dependent
- PACE (All Inclusive Care for the Elderly)
- Other Medical or Remedial Care Services
  - Critical Access Hospital
  - Nursing Facility Services for Children under age 21
  - Transportation Services

Four major services account for three-fourths of DHHS' Medicaid service expenditures. These are Hospital, Pharmacy, Nursing Home and Physician Services. All of the remaining services combined only account for one-fourth of DHHS Medicaid service expenditures. Additionally, these figures do not include the Medicaid service expenditures by other state agencies. All of these services are discussed in more detail on the following pages.

DHHS SFY 2004
Medicaid Expenditures by Service



Note: Hospital expenditures do not include disproportionate share payments. Pharmacy expenditures include SILVERxCARD.

Hospital Services

Hospital services are the single largest cost component in Medicaid. These services comprise more than 24% percent of all DHHS Medicaid expenditures. Payments for hospital services, excluding Disproportionate Share (DSH) payments and Medicaid Upper Payment Limit (UPL) payments, totaled over $600 million in SFY 2004. Over 45 percent of Medicaid recipients used hospital services.

At 24%, hospital services are the single largest component of DHHS service expenditures.

Disproportionate Share payments reimburse hospitals that serve a significant number of uninsured patients. Medicaid Upper Payment Limit payments reimburse qualifying hospitals for unreimbursed costs associated with providing care to Medicaid recipients. These payments totaled $688 million in SFY 2004.

Two significant events affected the hospital program in SFY 2004. First, in an effort to contain costs and slow growth in the program, DHHS implemented a policy change regarding coordination of benefits with Medicare. The change modified the method of paying inpatient and outpatient hospital claims for those receiving both Medicare and Medicaid coverage. The change in reimbursement methodology means that Medicaid now treats Medicare coverage as it would treat any third party payer. This accounted for most of the $43 million reduction in hospital payments in SFY 2004.

Second, in SFY 2004, the Centers for Medicare and Medicaid Services (CMS) – the federal agency that oversees Medicaid, began to more narrowly define what is allowable as an intergovernmental transfer by strictly interpreting what is a public entity eligible to make such transfers to the state. This change threatened a major source of revenue for hospitals across the country because intergovernmental transfers from public hospitals have traditionally been used as state matching funds. In South Carolina, such matching funds support the state's $489 million DSH program and almost $200 million UPL program.

The Governor and DHHS were joined by key members of the General Assembly and the state's Congressional delegation in negotiating a transition agreement with CMS, preserving the current DSH program until June 30, 2005. Meanwhile, the state must revise its funding methodology to satisfy CMS' new regulatory interpretation.

In SFY 2003, Medicaid paid $29 million in Emergency Room (ER) claims. In SFY 2004, ER claims decreased almost 7% to about $27 million. The number of recipients decreased 5.5%. Some of these reductions may be attributable to the agency's efforts to encourage "medical homes" for recipients.

Hospital Expenditures	**SFY 2003**	**SFY 2004**
Inpatient	$506,116,323	$499,766,979
Outpatient	$103,107,090	$66,348,347
Emergency Room	$28,109,950	$26,855,636
Hospital Based Physicians	$14,526,307	$15,451,848
Subtotal [(1)]	**$651,859,670**	**$608,422,811**
Disproportionate Share	$344,493,511	$489,351,755
Upper Payment Limits (UPL) [(2)]	$114,735,381	$198,916,890
Total	**$1,762,948,232**	**$1,905,114,267**

(1) Subtotal expenditures have been distributed based on the spread of the CCA8500 paid claims.

(2) UPL's are found in the "Other Entities" line.

Hospital Services	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$616,263,806	$651,859,670	5.8%	$608,422,811	-6.7%
Transactions	1,664,652	1,616,156	-2.9%	1,489,703	-7.8%
Unduplicated Recipients	413,507	414,934	0.3%	397,239	-4.3%
Cost/Transaction	$370.21	$403.34	9.0%	$408.42	1.3%
Cost/Recipient	$1,490.33	$1,571.00	5.4%	$1,531.63	-2.5%

Depicts paid claims only. Adjustments have been made outside of the Medicaid claims processing system and are reflected in the expenditure total below.

Pharmacy Services

Pharmacy Services including SILVERxCARD account for 24% of DHHS Medicaid expenditures, making this program the second largest cost component of Medicaid. In SFY 2004, almost ten million claims were processed for a total of over $600 million. Growth in pharmacy costs was reduced significantly during the second half of SFY 2004.

The federal drug rebate program continues to be a source of revenue to offset Pharmacy Services expenditures. Rebate revenue for SFY 2004 totaled almost $146 million. Additionally, in SFY 2004 DHHS implemented the first phases of a Preferred Drug List (PDL) allowing the agency to supplement its federal rebates with rebates from manufacturers.

DHHS' Pharmacy and Therapeutics (P&T) Committee is responsible for suggesting drugs to be included on the PDL. The P&T Committee is comprised of eleven physicians and four pharmacists who are Medicaid providers. This Committee meets regularly to select preferred drugs.

Other measures used to control Pharmacy Services expenditures include the agency's Maximum Allowable Cost (MAC) program that places an upper limit on what DHHS will pay for multiple-source drugs (such as generics) that is 150% of the least costly therapeutic equivalent. DHHS also uses clinical edits, quantity limits for certain drugs, monthly review of pharmacy claims exceeding certain limits, and monthly review of pharmacy claims considered as "outliers" due to certain data elements to contain pharmacy costs.

In SFY 2004 DHHS implemented the first phases of a Preferred Drug List (PDL) allowing the agency to supplement its federal rebates with rebates from manufacturers.

DHHS' Drug Utilization Review (DUR) program is used to identify drug therapies that may negatively impact the health of patients. Upon identification, prescribers are notified so to avert unnecessary complications, improve medical outcomes and contain pharmacy expenditures.

SFY 2004 was the first full operational year of DHHS' Medicaid Pharmacy Plus Waiver, the SILVERxCARD program. Prior to the waiver, the program was entirely state funded. SILVERxCARD provides drug benefits for seniors who are 65 or older and have incomes between 100-200% of the federal poverty level. SILVERxCARD beneficiaries must meet an annual $500 deductible before Medicaid provides coverage. During SFY 2004, over 57,000 seniors were enrolled in SILVERxCARD, and over 30,000 used SILVERxCARD benefits. SILVERxCARD accounted for almost $44 million in expenditures in SFY 2004.

During SFY 2004, President Bush signed the Medicare Modernization Act (MMA). Issues resulting from the MMA will significantly impact Pharmacy Services. The MMA made Medicare Drug Discount Cards and drug subsidies available to seniors during SFY 2004. The MMA prohibited an individual from having both SILVERxCARD and a federal discount card. So, some SILVERxCARD beneficiaries chose to disenroll from SILVERxCARD and take advantage of the financial assistance provided by MMA. After exhausting the discount card benefits, some then re-enrolled in SILVERxCARD. The Medicare Drug Discount Card program terminates at the end of 2005 and will be replaced January 1, 2006, with drug benefits through Medicare Part D.

DHHS continues to analyze the impact of Part D on both the SILVERxCARD and regular Medicaid programs. Medicare Part D will affect many Medicaid and SILVERxCARD beneficiaries. Prior to January 1, 2006, several policy decisions will need to be made about SILVERxCARD. Many recipients will be entitled to subsidized Part D coverage. Overall, this coverage is more beneficial than SILVERxCARD. Additionally, after Part D is available, DHHS will no longer provide prescriptions for dual eligibles. The state funds used in SILVERxCARD may be re-directed to supplement Medicare Part D and provide coverage for South Carolina seniors, perhaps helping fill the Part D "doughnut hole."

The Pharmacy Services' prescription reimbursement rate continues to be a debated issue. DHHS reimburses pharmacies based on a two-part reimbursement formula intended to compensate pharmacists for their actual costs plus a reasonable profit. Currently, DHHS reimburses pharmacies the Average Wholesale Price (AWP) of a drug minus 10% and a dispensing fee of $4.05.

This reimbursement formula varies widely among Southeastern states. DHHS is closely following national debate over Medicaid pharmacy reimbursement and developments in other states to determine whether the current South Carolina reimbursement methodology should be modified or replaced with a more market-based reimbursement formula.

Southeastern Medicaid Prescription Reimbursement Rates

State	Reimbursement Formula	Dispensing Fee
Alabama	AWP minus 10%	$5.40
South Carolina	AWP minus 10%	$4.05
North Carolina	AWP minus 10%	$4.00
Virginia	AWP minus 10.25%	$3.75
Georgia	AWP minus 11%	$4.63
Tennessee	AWP minus 13%	$2.50
Florida	AWP minus 15.4%	$4.23
State Health Plan	AWP minus 15%	$2.00

Pharmacy Services	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$417,965,171	$507,637,036	21.5%	$607,150,455	19.6%
Transactions	8,195,237	9,671,038	18.0%	10,970,996	13.4%
Unduplicated Recipients	559,394	589,961	5.5%	596,139	1.0%
Cost/Transaction	$51.00	$52.49	2.9%	$55.34	5.4%
Cost/Recipient	$747.17	$860.46	15.2%	$1,018.47	18.4%

Nursing Home Services

Nursing home services are the third largest cost component of the Medicaid program with expenditures of more than $421 million for 16,626 recipients. It is one of the most expensive services in terms of cost per recipient. Growth in nursing home services line is primarily attributable to the average rise in health care costs since nursing home rates are established annually based on facilities' cost reports.

Nursing home rates were adjusted during SFY 2004 using the providers' fiscal year ending September 30, 2002, Medicaid cost reports, and the new rates became effective October 1, 2003. This adjustment increased rates by 7.58% amounting to a $31 million increase in expenditures in SFY 2004. This increase was made possible through intergovernmental transfers from the non-state owned public nursing homes. This funding arrangement came under the same scrutiny from CMS discussed above in regard to hospitals. This arrangement will expire in June 2005.

In SFY 2003, DHHS discontinued paying for Medicare Part A coinsurance days. This accounts for the drop in recipients and transactions that occurred in SFY 2003. The resulting savings of about $2 million were more than offset by the increase in expenditures due to the rate increase and Upper Payment Limit adjustments that were made that year. The number of recipients remained level in SFY 2004.

People speak of a Medicaid waiting list for nursing home beds. However, each nursing home has its own admission policy and waiting list. So, the phrase "Medicaid waiting list" is a misnomer. Nursing homes cannot discriminate. Beyond these civil rights requirements, a facility can decide whether to accept a patient based on whether the facility can meet the patient's needs and other factors. Nursing homes are not required to take the first person on the list, and applicants are not required to take the first available bed in their area.

The time frame for a person waiting on a nursing home bed depends on where the person is located, gender (typically a bed for a male is harder to find as nursing homes often use roommate arrangements and most residents are female), and behavior problems, or extraordinary medical conditions. There have been no recent reports of individuals having to wait for a Medicaid bed if they are willing to accept a bed in any facility.

Traditionally, once a person enters a nursing home, they do not return to their home. Nevertheless, for some individuals this may be an appropriate option. So, during SFY 2004 DHHS expanded its Home Again program to eleven additional counties bringing the total number of counties served to 35. The remaining eleven counties will be added in 2005.

Using federal grants that provide for community living needs and health care education for the individuals and families, Home Again assists nursing home residents who want to return to their communities. To date, the program has assisted about 35 people to move from a nursing home back to the community. While this number may seem low, the reduced costs of caring for these individuals is noticeable since nursing home care costs more than twice as much as community-based care.

Nursing Home Services	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$360,362,235	$390,695,134	8.4%	$421,068,611	7.8%
Transactions	158,637	148,554	-6.4%	149,388	0.6%
Unduplicated Recipients	17,521	16,591	-5.3%	16,626	0.2%
Cost/Transaction	$2,271.62	$2,629.99	15.8%	$2,818.62	7.2%
Cost/Recipient	$20,567.45	$23,548.62	14.5%	$25,325.91	7.5%

Physicians Services

During SFY 2004 Physician Services processed over 4.4 million claims with expenditures of almost $240 million. These totals make Physician Services the fourth largest portion of the state's Medicaid budget.

Medicare and the State Health Plan serve as general benchmarks for Medicaid reimbursement. While certain specialists are reimbursed at 120% of the Medicare fee schedule, as a whole, Medicaid physician reimbursement averages seventy-five percent of the 2005 Medicare rates and sixty-five percent of State Health Plan rates. Low reimbursement rates negatively impact access to services. This may have contributed to the slight decline in the number of recipients receiving physician services in SFY 2004. In spite of the decline in recipients, expenditures continued to rise. The data suggests that the claims being submitted are for more expensive procedures.

A particular service provided within Physician Services is the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program for children under age of 21. The federal government requires that all states provide EPSDT services. EPSDT consists of a basic screening package that includes a comprehensive history and assessment of overall health, age-appropriate immunizations, appropriate lab tests and health education. This program ensures that children have full access to all services that may be necessary for the maintenance and improvement of their health with the goals of averting more serious health issues and avoiding increased costs later.

Medicaid physician rates average 75% of 2005 Medicare rates and 65% of State Health Plan rates.

During SFY 2004, DHHS revised the marketing and education strategy for EPSDT to make sure that recipients were aware of the program. Prior year figures indicated that the service was being under-utilized. Preliminary indications are that the re-vamped strategy is working as EPSDT claims have increased in SFY 2005.

During SFY 2004, DHHS developed the "Medical Homes Local Network," a primary care case management (PCCM) model with an emphasis on prevention. The PCCMs are physician-driven, rather than corporation-driven like MCOs, and are comprised of groups of primary care doctors. PCCMs serve as the "medical home" for enrollees and function as gatekeepers to specialty care. They provide care coordination and quality assurance. The PCCMs are designed to serve multi-county areas in the state.

Claims for these services offered within the PCCM are still billed through the traditional Medicaid program by their providers. However, PCCMs also receive small monthly payments for providing care coordination. The goals are to improve health outcomes, appropriately manage the care of enrollees, and contain costs associated with the enrolled population. If this occurs, the PCCM will share with the agency in these savings.

The first PCCM began operating in September 2004 in Oconee, Anderson and Pickens counties and serves about 4,000 enrollees.

Physician Services	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$203,633,032	$226,787,198	11.4%	$239,414,028	5.6%
Transactions	4,709,683	4,512,464	-4.2%	4,421,068	-2.0%
Unduplicated Recipients	529,154	530,723	0.3%	518,306	-2.3%
Cost/Transaction	$43.24	$50.26	16.2%	$54.15	7.8%
Cost/Recipient	$384.83	$427.32	11.0%	$461.92	8.1%

Dental Services

Medicaid provides dental services to children and those enrolled in the Mentally Retarded/Related Disabilities (MR/RD) Waiver. Adults receive only emergency dental services. Dental services ranks fifth in Medicaid expenditures with over $89 million for almost 2 million claims in SFY 2004.

During SFY 2004, changes were made in the dental claims system that resulted in cost savings. One such editing change prevented payments for procedures being performed on inappropriate teeth, such as preventing a claim for a procedure appropriate only on molars being billed on a bicuspid. While difficult to quantify the exact savings from these measures, there has been a decrease in transactions in certain dental procedures. Unfortunately, these efforts were not enough to offset overall growth in transaction and expenditures in SFY 2004. Several other expenditure growth issues were identified during SFY 2004 that, once addressed and resolved, will translate into future savings.

Dental Services	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$79,718,384	$83,372,406	4.6%	$89,157,464	6.9%
Transactions	1,699,842	1,892,695	11.3%	1,994,068	5.4%
Unduplicated Recipients	224,483	246,075	9.6%	253,117	2.9%
Cost/Transaction	$46.90	$44.05	-6.1%	$44.71	1.5%
Cost/Recipient	$355.12	$338.81	-4.6%	$352.24	4.0%

Clinic Services

Clinic services include outpatient services offered through providers at facilities such as a Rural Health Clinic (RHC), a Federal Qualified Health Center (FQHC), or an outpatient pediatric AIDS clinic. During SFY 2004, Medicaid paid over 1 million clinic claims totaling almost $86 million.

FQHCs and RHCs are designated and partially funded by the federal government. They serve as a safety net for the medically underserved and other populations that are vulnerable to barriers to care. FQHC and RHCs reimbursement rates are determined differently than private physicians. FQHC rates are based on a federally mandated retrospective cost-based methodology that incorporates restrictions on overhead costs and established minimum productivity levels. RHCs are reimbursed the same rate as that set by Medicare.

A program offered in Clinic Services is the Medically Fragile Children's Program (MFCP), a medical center-based program of health services for children who have very complex diseases and disabilities. The MFCP goal is to provide individualized coordinated care so that the child can remain in their home. MFCP began in the Midlands and, during SFY 2004, expanded to the Upstate. The agency's long-range goal is to make this program available in other parts of the state. The MFCP served 121 children at a cost of $2.3 million. While this appears to be a significant cost per recipient, the coordination of care provided by MFCP helps to avoid costs in other areas, such as hospitalization.

Clinic Services	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$62,713,300	$75,540,578	20.5%	$85,916,074	13.7%
Transactions	783,023	926,985	18.4%	1,085,692	17.1%
Unduplicated Recipients	180,337	184,610	2.4%	194,891	5.6%
Cost/Transaction	$80.09	$81.49	1.7%	$79.13	-2.9%
Cost/Recipient	$347.76	$409.19	17.7%	$440.84	7.7%

Community Long Term Care Services

The Community Long Term Care (CLTC) program serves recipients meeting a nursing home level of care that choose to remain in the community.

Two significant events occurred in CLTC during SFY 2004. First, DHHS implemented "Care Call," a system that telephonically documents when in-home workers start and finish their services. Billing is then done automatically. Expenditures for services covered by Care Call were about $3 million less in SFY 2004 than SFY 2003.

Second, SC Choice, a program allowing CLTC recipients greater flexibility in choosing and overseeing their long-term care services, was expanded to the Lowcountry. SC Choice started in the Upstate, and plans are to expand statewide by the end of SFY 2005. SC Choice was the third waiver in the nation to be approved under President Bush's Independence Plus initiative and the first to target the elderly and disabled.

A CLTC issue that received attention in SFY 2004 involves the waiting lists for services. Current CLTC funding does not allow all applicants to be served, so waiting lists are administered in each of the 13 CLTC offices. The lists are maintained using a one-for-one policy, allowing a new waiver recipient only when an existing one leaves the program. The last addition of slots was in 1999, when an additional 4,322 slots were added to raise the CLTC census to 11,000 recipients.

Applicants on the waiting list are generally admitted into the program on a first-come-first-serve basis. There are some very limited exceptions, including loss of Medicaid eligibility for 30 days or less, individuals awaiting organ transplantation, individuals transitioning back into the community from nursing home placement with a stay of at least 90 days, and current clients who have a temporary break in service due to a hospitalization or short term nursing home placement.

There are approximately 3,000 people on the CLTC waiting list. However, a recent review showed that the average wait was 113 days from application to waiver enrollment. The length of time on the waiting list is attributable to the speed of determining eligibility and the turnover of slots in a given geographic area.

A special program for seniors is Palmetto SeniorCare (PSC). PSC provides long term care services to frail elderly individuals over age 55 in Richland and Lexington counties who meet nursing home care requirements. Operated as a federal research and demonstration waiver for the past 10 years, PSC was incorporated into the State Medicaid Plan in November 2004. The process of converting PSC to a State Plan service coincided with CMS' change in Intergovernmental Transfer (IGT) policy discussed in the Hospital Services section. As a result, matching funds previously provided by Palmetto Health Richland were disallowed. DHHS had to absorb the state match requirement of $2.3 million to continue PSC in SFY 2004. During SFY 2004, PSC served almost 370 recipients at a cost of $8.5 million. These figures are not reflected in the box below.

Community Long Term Care	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$80,973,315	$80,021,822	-1.2%	$76,135,097	-4.9%
Transactions	3,410,504	3,455,095	1.3%	3,364,093	-2.6%
Unduplicated Recipients	15,797	15,509	-1.8%	15,889	2.5%
Cost/Transaction	$23.74	$23.16	-2.5%	$22.63	-2.3%
Cost/Recipient	$5,125.87	$5,159.70	0.7%	$4,791.69	-7.1%

Managed Care Services

Medicaid managed care enrollment offers recipients the choice to receive their core medical services from a private managed care organization (MCO.) A central feature of MCOs is the emphasis on preventive health care. Additionally, the federal government allows MCOs to offer benefits that the traditional Medicaid program does not, such as adult dental coverage.

Select Health of South Carolina, Inc. has been in operation in South Carolina since 1996 and maintains provider networks in 28 counties. During SFY 2004, Better Health Plans of South Carolina, Inc. (BHP) became the second active Medicaid MCO provider in the state. BHP is currently marketing to recipients in Florence, Orangeburg and Calhoun counties.

Also during SFY 2004, MCO beneficiaries became subject to a twelve-month lock-in period. Previously, managed care members could opt out of the MCO and enter the traditional Medicaid program at any time. This "revolving door" aspect to enrollment led to fiscal issues for the MCOs since they are paid on a capitated monthly rate that is based on the actuarial equivalence of an average month of services. Upon enrollment, recipients are advised of the lock-in and given the opportunity to change their mind. Overall, the lock-in has led to increased stability in the monthly enrollment levels in MCOs.

During SFY 2004, DHHS contracted with Deloitte Consulting LLP to provide actuarial services in updating MCO rates as required by federal regulation. Trended Medicaid fee-for-service expenditures for calendar years 2000 through 2002, as well as significant provider reimbursement, programmatic and eligibility changes were used in this process. As a result, MCO rates increased by 13.6% effective July 1, 2003. Total MCO expenditures increased by almost $10 million during SFY 2004 due to increased enrollment as well as the rate increase. The total MCO expenditures during SFY 2004 were $71 million for more than 78,000 recipients.

Managed Care	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$38,766,560	$61,301,677	58.1%	$71,163,815	16.1%
Transactions	459,321	655,089	42.6%	631,427	-3.6%
Unduplicated Recipients	57,226	74,284	29.8%	78,002	5.0%
Cost/Transaction	$84.40	$93.58	10.9%	$112.70	20.4%
Cost/Recipient	$677.43	$825.23	21.8%	$912.33	10.6%

Durable Medical Equipment Services

Durable Medical Equipment (DME), such as wheelchairs, oxygen tanks, and ostomy supplies, cost just over $42 million for almost 600,000 claims in SFY 2004. For all claims, a physician is responsible for determining the type of equipment and length of time needed. Certain coverage restrictions do apply. For wheelchairs, for instance, "deluxe" models are restricted if "standard" models would be appropriate.

Durable Medical Equipment	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$38,657,053	$41,530,746	7.4%	$42,393,142	2.1%
Transactions	525,804	585,538	11.4%	599,973	2.5%
Unduplicated Recipients	70,145	70,830	1.0%	70,963	0.2%
Cost/Transaction	$73.52	$70.93	-3.5%	$70.66	-0.4%
Cost/Recipient	$551.10	$586.34	6.4%	$597.40	1.9%

Transportation Services

Medicaid provides both emergency and non-emergency transportation for recipients. Approximately 14% of Medicaid recipients used transportation services in SFY 2004.

About $34 million was spent on Non-Emergency Transportation and almost $9 million on Emergency Transportation, accounting for almost $43 million in overall expenditures.

During SFY 2004, DHHS consolidated billable ambulance codes and eliminated payment of Medicare crossover claims as part of the agency's overall effort to contain costs, and expenditure growth decreased compared to SFY 2003.

Transportation	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$38,992,379	$41,254,435	5.8%	$42,838,875	3.8%
Transactions	416,119	400,264	-3.8%	478,141	19.5%
Unduplicated Recipients	52,541	51,292	-2.4%	51,030	-0.5%
Cost/Transaction	$93.70	$103.07	10.0%	$89.59	-13.1%
Cost/Recipient	$742.13	$804.31	8.4%	$839.48	4.4%

Laboratory and Radiology Services

Medicaid covers laboratory and radiology services ordered by a physician and provided by independent laboratories and portable x-ray facilities. An independent laboratory and x-ray facility is defined as a facility licensed by the appropriate State authority and not part of a hospital, clinic or physician's office. Laboratory and Radiology services have experienced growth rates of about 13% in recent years. Factors for the growth include advances in medical technology and the costs of emerging services in these areas.

Lab & X-Ray	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$21,004,676	$23,753,322	13.1%	$26,983,566	13.6%
Transactions	1,355,559	1,448,794	6.9%	1,534,996	5.9%
Unduplicated Recipients	225,292	236,216	4.8%	239,743	1.5%
Cost/Transaction	$15.50	$16.40	5.8%	$17.58	7.2%
Cost/Recipient	$93.23	$100.56	7.9%	$112.55	11.9%

Other Medical Professional Services

Other Medical Professional Services includes non-physician medical services such as those provided by optometrists, opticians, podiatrists, chiropractors and other medical professionals.

Medical Professional	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$14,116,092	$16,363,969	15.9%	$16,338,753	-0.2%
Transactions	592,800	638,797	7.8%	636,661	-0.3%
Unduplicated Recipients	158,643	162,059	2.2%	153,760	-5.1%
Cost/Transaction	$23.81	$25.62	7.6%	$25.66	0.2%
Cost/Recipient	$88.98	$100.98	13.5%	$106.26	5.2%

Home Health Services

Medicaid home health services are provided to homebound Medicaid recipients based on physician orders. Home Health services include skilled nursing services, therapy and personal aide services. Medicaid home health visits are limited to seventy-five per year.

Home Health	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$16,913,688	$12,481,669	-26.2%	$11,956,118	-4.2%
Transactions	159,067	141,246	-11.2%	128,495	-9.0%
Unduplicated Recipients	8,638	7,765	-10.1%	7,328	-5.6%
Cost/Transaction	$106.33	$88.37	-16.9%	$93.05	5.3%
Cost/Recipient	$1,958.06	$1,607.43	-17.9%	$1,631.57	1.5%

Hospice Services

The Medicaid Hospice program provides services to eligible recipients who have been certified as being terminally ill. An individual is considered to be terminally ill if the individual has a medical prognosis that his/her life expectancy is six months or less, if the disease runs its normal course. Services include nursing, nurse aide, medical social services, physician, counseling, medical appliances including pharmacy products, homemaker, and therapy services. Continuous home care is provided only during a period of crisis. Almost $5 million in Hospice care was provided to about 600 South Carolinians in SFY 2004.

Hospice	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$3,384,361	$4,008,561	18.4%	$4,723,790	17.8%
Transactions	3,768	3,122	-17.1%	3,112	-0.3%
Unduplicated Recipients	511	606	18.6%	601	-0.8%
Cost/Transaction	$898.18	$1,283.97	43.0%	$1,517.93	18.2%
Cost/Recipient	$6,623.02	$6,614.79	-0.1%	$7,859.88	18.8%

Medicare Premium Payments

Medicaid pays the Medicare premium for certain Medicare eligible beneficiaries. There are two groups of eligibles: The mandatory group of SSI recipients, and the optional group of aged (65 and over) and the disabled who qualify for Medicare and Medicaid. Paying the premium for these beneficiaries enables Medicaid to avoid cost because Medicare is the first payer.

Medicare Premium Payment	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$82,454,600	$90,124,333	9.3%	$97,680,010	8.4%
Transactions	1,446,964	1,489,386	2.9%	1,481,454	-0.5%
Unduplicated Recipients	135,095	139,189	3.0%	140,514	1.0%
Cost/Transaction	$56.98	$60.51	6.2%	$65.94	9.0%
Cost/Recipient	$610.35	$647.50	6.1%	$695.16	7.4%

Optional State Supplementation

Amendments to the Social Security Act gave states a choice to provide Optional State Supplementation (OSS) to help people meet needs not fully covered by Supplemental Security Income. OSS is a monthly payment for residential care, based on need. OSS payments for residential care are 100% state dollars and not matched with Federal funds. All OSS recipients are Medicaid eligible. Contrary to its name, the OSS program is not entirely "optional." The federal government places a Maintenance of Effort requirement on this program. In other words, once a state exercises the "option" to add the program, it must continue to maintain this effort.

The OSS program was enhanced in January 2003 to improve the quality of care provided to OSS recipients. Through the Integrated Personal Care (IPC) program, state OSS funds are used to match federal Medicaid funds and provide enhanced reimbursement for the care of OSS residents who require a higher degree of personal care. Participation in this relatively new program grew in SFY 2004.

Integrated Personal Care (IPC)	SFY 2003	SFY 2004
Expenditures	$99,827	$1,182,387
Transactions	268	3,111
Unduplicated Recipients	98	496
Cost/Transaction	$372.49	$380.07
Cost/Recipient	$1,018.64	$2,383.84

Optional State Supplement (OSS)	SFY 2002	SFY 2003	Growth Rate	SFY 2004	Growth Rate
Expenditures	$16,088,596	$15,772,579	-2.0%	$14,986,554	-5.0%
Transactions	54,600	53,509	-2.0%	52,784	-1.4%
Unduplicated Recipients	5,862	5,687	-3.0%	5,494	-3.4%
Cost/Transaction	$294.66	$294.76	0.0%	$283.92	-3.7%
Cost/Recipient	$2,744.56	$2,773.44	1.1%	$2,727.80	-1.6%

Future Opportunities in Medical Services

Medicaid Choice Waiver Concept

In an effort to provide a consumer-driven, market-based Medicaid program, South Carolina is looking at ways to shift the forces behind the design and delivery of Medicaid care. The idea, which is in the early stages of development, would empower Medicaid recipients by providing them leverage in "purchasing" their Medicaid health care plans, as opposed to living within the Medicaid program as designed by the state government. Incentives would be built into the system to encourage prudent use of Medicaid by the individual. Alternatively, Medicaid recipients could forego designing their own care plans, and enroll in managed care organizations or private insurance. In addition, Medicaid providers would compete to serve the Medicaid population.

Obesity Reduction Project

In partnership with Upstate Carolina Best Care, measurements of body mass index (BMI) are being taken and recorded for children and adolescents covered by Medicaid. The goal is to raise awareness among these youth and their parents/guardians of the risks associated with obesity. Because physicians will be providing health education on the impact of obesity, it is expected that the youth will make more informed choices and improve lifestyle habits like nutrition and exercise.

Chronic Kidney Disease Physician Education Pilot Project

In partnership with the National Kidney Foundation of South Carolina and Abbott Laboratories, a physician education pilot for primary care providers (PCPs) who treat significant numbers of Medicaid beneficiaries in Richland and Lexington Counties has been initiated. The goal of this pilot is to raise awareness among PCPs about chronic kidney disease and the screening tests that can identify kidney disease at an early stage. Early identification and appropriate treatment can slow the disease process and reduce the onset of End Stage Renal Disease. The project also aims to educate Medicaid beneficiaries on the causes and risks of chronic kidney disease.

Low Birth Weight/Prematurity Reduction Project

A Request for Proposal (RFP) will be issued to acquire a vendor that will manage the care of at-risk pregnant women and low birth weight/premature infants. The effort will focus on improved birth outcomes and reduced medical expenses.

Chronic Care Management for Medicaid Beneficiaries with Complex Medical Needs

One or more projects will be developed to address the special needs associated with beneficiaries who have multiple chronic illnesses resulting in higher healthcare utilization and costs. Targeted, enhanced care coordination will be developed with the goal of improving disease self - management and appropriate utilization of medical services.

Diabetes and Hypertension Education Project

Working with the Medical University of South Carolina, Medicaid beneficiaries who have diabetes and hypertension in the Charleston area will be identified. These beneficiaries will receive personalized education on their illnesses and the treatment thereof. The goals of this project will be increased education, improved compliance with treatment, improved medication management, decreased emergency room usage and hospitalization, and improved quality of life for Medicaid beneficiaries.

State Agency Medicaid Services

DHHS contracts with many state agencies for Medicaid services. These contractual arrangements help the agencies to obtain federal funding to deliver services related to their individual missions. In most cases, the agency that provides the service also provides the state match.

When the service responsibility for a state agency is generally compatible with Medicaid rules and regulations, DHHS and the state agency work together to establish service definitions, define units of service, develop reimbursement rates and define record keeping requirements for billing. The contract between DHHS and the other state agency, along with a provider manual, incorporate the Medicaid requirements for that agency.

State agencies providing the majority of other state agency Medicaid services are:

Department of Disabilities and Special Needs
- Institutional care for mentally retarded
- Home and Community Based Waiver Services for the mentally retarded or disabled and the head or spinal cord injured so they can live in the community instead of a institution
- Early Intervention Services for Children

Department of Mental Health
- Community mental health services for children and adults
- Out-of-home placements for children
- Institutional care in nursing facilities, hospitals and special treatment facilities for children and seniors

Department of Alcohol & Other Drug Abuse Services
- Chemical dependency rehabilitation & prevention services

Department of Education
- Speech, physical & occupational therapy
- Behavioral health services
- Nursing services
- Pregnancy prevention services
- Transportation

Department of Social Services
- Adult protective & foster care case management
- Therapeutic foster care
- Services for emotionally disturbed children, including out-of-home placements through private providers

Medical University of South Carolina
- Treatment of emotionally disturbed children & mentally ill adults
- Evaluation, treatment and management for genetic disorders
- Maxillofacial prosthodontic services

Department of Health & Environmental Control
- Family Planning
- Home or community based preventive & rehabilitative Services
- Home Health & Personal Aide Services
- Newborn home visits

Other agencies providing Medicaid services are: Continuum of Care, School for the Deaf and Blind, Commission for the Blind, John de la Howe and Wil Lou Gray schools, Division of Foster Care Review and the University of South Carolina.

OTHER STATE AGENCY MEDICAID ASSISTANCE

	2001	2002	% Change	2003	% Change	2004	% Change
Department of Mental Health	$154,771,202	$176,915,739	14.3%	$195,109,098	10.3%	$171,365,310	-12.2%
DDSN	$361,844,091	$447,672,251	23.7%	$412,816,446	-7.8%	$412,987,890	0.0%
DHEC	$37,912,332	$33,915,283	-10.5%	$38,725,914	14.2%	$37,298,961	-3.7%
Medical University of South Carolina	$10,338,737	$14,538,468	40.6%	$27,829,341	91.4%	$41,939,631	50.7%
University of South Carolina	$2,370,369	$2,833,498	19.5%	$5,612,272	98.1%	$5,690,602	1.4%
DAODAS	$8,788,887	$15,857,149	80.4%	$11,839,390	-25.3%	$13,879,179	17.2%
Continuum of Care	$6,371,356	$8,529,603	33.9%	$10,328,196	21.1%	$8,898,251	-13.8%
School of the Deaf and Blind	$1,325,643	$1,391,696	5.0%	$2,048,508	47.2%	$3,437,980	67.8%
Department of Social Services	$58,176,304	$60,534,139	4.1%	$52,182,875	-13.8%	$50,324,531	-3.6%
Department of Juvenile Justice	$16,316,642	$17,786,139	9.0%	$23,598,126	32.7%	$20,449,250	-13.3%
Department of Education	$18,611,003	$74,306,918	299.3%	$69,965,732	-5.8%	$68,705,945	-1.8%
Commission for the Blind	$29,672	$22,299	-24.8%	$25,449	14.1%	$8,876	-65.1%
Total Other Agency Medicaid Assistance	$676,856,238	$854,303,182	26.2%	$850,081,347	-0.5%	$834,986,406	-1.8%

SC Department of Health & Human Services

Analysis of Medicaid Coverage for Other State Agencies by Services and Unduplicated Recipients

Based on Expenditures for the Year Ended June 30, 2004

(Source MMIS CCA2900; GAFRS 9427 expenditures have been spread based on the MMIS CCA 2900)

	DDSN	DMH	DHEC	MUSC	USC	DAODAS	COC	D&B	DSS	DJJ	DOE	COB	Total
Hospital Services	$ -	$ 8,072,092	$ -	$ 3,879,378	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,951,470
Nursing Homes	$ 169,649,082	$ 20,943,285	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 190,592,367
Physician Services	$ -	$ -	$ 18,215,738	$ 2,167,973	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,383,711
Home Health	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EPSDT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab & X-Ray	$ -	$ -	$ 367,799	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 367,799
Family Planning	$ 399,101	$ -	$ 13,819,323	$ -	$ -	$ -	$ -	$ -	$ 44,355	$ -	$ 11,635,531	$ -	$ 25,898,310
Clinical Services	$ 28,547,853	$ 113,460,558	$ 1,941,265	$ 35,850,986	$ 5,585,627	$ 13,186,156	$ 3,940,258	$ 2,295,362	$ 14,729,144	$ 10,555,362	$ 49,657,549	$ 8,876	$ 279,758,995
Managed Care	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Dental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Premium Pmts - Medicare	$ -	$ 49,753	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 49,753
Supplemental Insurance													$ -
Transportation	$ -	$ 755,065	$ -	$ -	$ -	$ -	$ -	$ 517,898	$ -	$ -	$ 3,446,973	$ -	$ 4,719,936
Pharmacy	$ 385	$ 285,892	$ 2,683,758	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,970,035
Community Long Term Care	$ 193,830,899	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 193,830,899
Durable Medical Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical Professional	$ -	$ 49,796	$ 9,178	$ -	$ -	$ -	$ 16,234	$ -	$ 1,831,776	$ -	$ 295,844	$ -	$ 2,202,828
Hospice	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Residential Care Facility	$ 103,473	$ 12,493,898	$ -	$ -	$ -	$ -	$ 1,928,041	$ -	$ 955,926	$ 11,881	$ 903,841	$ -	$ 16,397,060
Assisted Living (OSS)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Case Management	$ 20,457,098	$ 15,254,972	$ 261,900	$ 41,294	$ 104,975	$ 693,023	$ 3,013,718	$ 624,720	$ 32,110,235	$ 3,188,652	$ 28,364	$ -	$ 75,778,951
Other Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 653,095	$ 6,693,355	$ 2,737,843	$ -	$ 10,084,293
Total Group Coverage	$ 412,987,890	$ 171,365,310	$ 37,298,961	$ 41,939,631	$ 5,690,602	$ 13,879,179	$ 8,898,251	$ 3,437,980	$ 50,324,531	$ 20,449,250	$ 68,705,945	$ 8,876	$ 834,986,406
Unduplicated Recipients	18,509	50,195	166,010	5,051	2,325	8,929	521	621	12,258	7,958	69,568	136	291,104

Administration

Administrative Costs

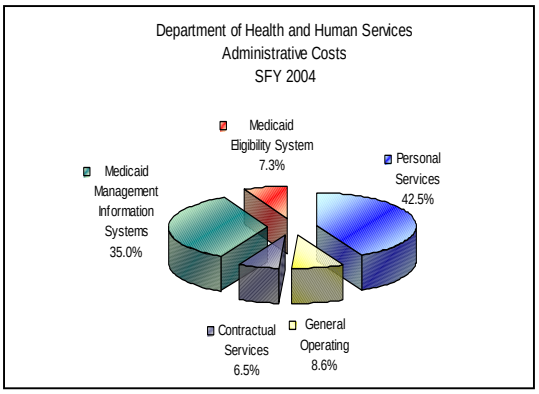
DHHS' administrative costs generally fall into five major functional areas. Personal Services includes agency-wide salaries and fringe benefits. The Medicaid Management Information System (MMIS) is the claims processing and reporting system for Medicaid services, and Medicaid Eligibility includes the Medicaid Eligibility Determination System (MEDS) and non-personnel operating costs of local eligibility offices. General Operating Costs include items such as rent, supplies, and travel. Contractual Services include professional services such as actuaries, as well as telecommunications and other information technology services not directly related to MMIS.

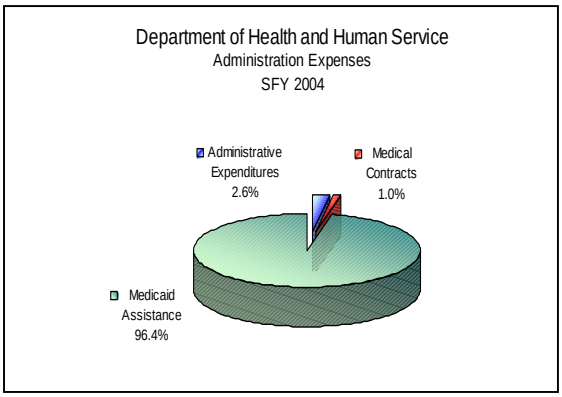
DHHS' administrative costs benchmark is 3% of the agency's total expenditures. Administrative costs rose slightly in SFY 04, due primarily to one-time costs associated with modifications to the MMIS necessary for compliance with federal HIPAA regulations. DHHS met the federal deadline for compliance, while implementing a contingency plan that allowed continued claims submission by providers not yet HIPAA compliant.

Despite this, DHHS' administrative expenditures for SFY 2004 were only 2.6% - well within the benchmark. Efforts to reduce costs produced a 35% reduction in telecommunications costs, a 16% reduction in travel costs, and a 16% reduction in supply costs.

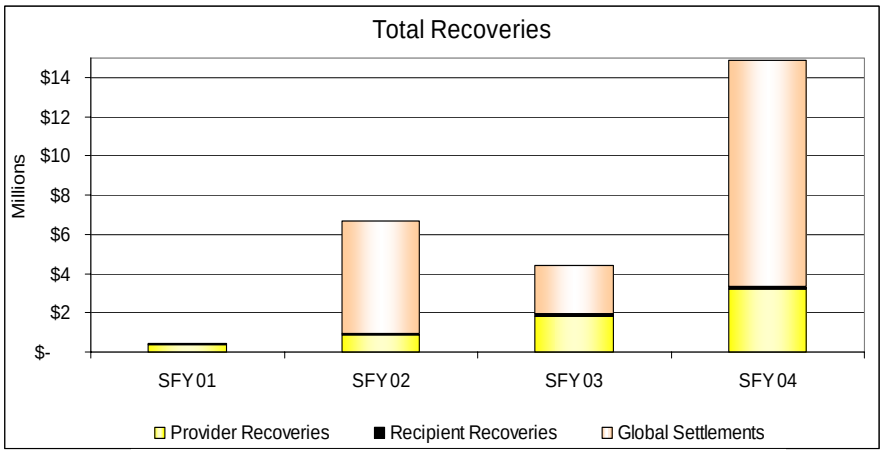
Other SFY 2004 accomplishments:
1) Expanding the use of actuarial services to safeguard the fiscal soundness of the benefit package provided by Medicaid,
2) Implementation of a web-based tool for provider claims submission and eligibility verification,
3) Providing intensive leadership and supervisory training to managers, and
4) Implementation of an e-Leave system to improve record keeping and reduce the need for administrative support staff.

DHHS employs a number of mechanisms to support the effective administration of Medicaid. Key components are efforts to detect and prevent Medicaid fraud and abuse, identify third parties who are liable for the Medicaid costs of recipients, and recoup funds that are owed to the agency. These are discussed below.





Total Medicaid Provider and Recipient Recoveries



NOTE: Recoveries include Federal and State funds.
Federal law requires DHHS to return the federal share of all recoveries.

Provider Reviews

In SFY 2004, DHHS provider recoveries increased 79%, totaling $3.2 million. Through provider reviews, DHHS recovers unallowable or excessive payments and identifies abusive, sub-standard or non-compliant practices. If warranted, DHHS can:

- Recoup Medicaid funds paid,
- Terminate or suspend a provider,
- Provide education proper billing,
- Conduct pre- or post-payment reviews, and
- Refer to appropriate licensing boards.

Fraud occurs when an intentional deception results in unauthorized payments. If provider fraud is suspected, DHHS refers the case to the State Attorney General's office for further investigation and possible prosecution. Cases that are prosecuted for fraud include:

- Submitting false billings for services that were never actually performed,
- Exaggerating the nature and extent of the services performed in order to inflate payments,
- Providing and billing for services that were not medically necessary, and
- Falsifying documents in order to obtain prior approval for services.

DHHS also coordinates with the State Attorney General's Office to participate in global settlements from Medicaid fraud on the national level. Global settlements in SFY 2004 increased over the prior two years.

Medicaid Provider Reviews - SFY 2004	
Beginning Cases	82
Cases Opened	210
Cases Closed	129
Provider Recoveries (State & Federal Funds)	$3,227,239

Recipient Reviews

DHHS also identifies and monitors Medicaid recipients for possible fraud or abuse involving their benefits, particularly prescription drugs. DHHS recently established a Medicaid recipient investigation unit in the State Attorney General's Office with both law enforcement investigators and attorneys. This unit will investigate Medicaid recipients who are alleged to have:

- Submitted a false application,
- Provided false or misleading eligibility information,
- Shared or lent their Medicaid card to other individuals,
- Sold or bought a Medicaid card,
- Diverted prescription drugs, medical supplies, or other benefits for re-sale, and
- Obtained Medicaid benefits that they were not entitled to through other fraudulent means.

This unit will also work with the state Bureau of Drug Control and the federal Drug Enforcement Agency to combat illegal prescribing and use of prescription drugs. In SFY 2004, DHHS developed profiles to highlight potential misuse and abuse of OxyContin®, which were then used to initiate several Medicaid recipient investigations.

Internal & External Audits

DHHS also reviews internal agency operations and other state agencies that use Medicaid funds. Audit reports are based on verifiable, reliable, and documented evidence relevant to the specific audit objectives, and both claims and cost reports are reviewed. The end result of every audit is to produce recommendations to help agency management make decisions about contracts, policies, and spending priorities. The audit division also identifies overpayments.

During SFY 2004, DHHS transferred responsibility for audits of childcare centers that accept federal childcare voucher funds to DSS.

Payment Error Measurement

DHHS is participating in a federally funded payment error measurement pilot project. This pilot accompanies CMS' efforts to develop regulations requiring all states to determine, report and reimburse the federal government for payment errors that can include:

- Claims that are overpaid or underpaid according to established rates,
- Claims paid without proper medical documentation,
- Payments that were not in compliance with state Medicaid policy,
- Payments for ineligible recipients, and
- Claims for services that were not medically necessary.

Once DHHS identifies errors, corrective actions can be made to improve payment accuracy.

Third Party Liability

DHHS' Third Party Liability (TPL) unit ensures that Medicaid funds are not used when other third party resources are available for payment of services provided to eligible Medicaid recipients. Third party resources include private insurance and the estates of certain Medicaid recipients.

Federal law requires states to take reasonable measures to discover third party resources available to Medicaid recipients, determine the liability of those resources, and, when appropriate, seek reimbursement for Medicaid expenditures. DHHS accomplishes this through various mechanisms.

"Pay & Chase" requires the coordination of benefits for paid Medicaid claims that match existing third party information but are excluded from cost avoidance either by waiver or CMS mandate. The Health Insurance Premium Program (HIPP) pays premiums for Medicaid recipients in order to keep their private health insurance, group or non-group plans whenever it is cost effective to do so.

The Estate Recovery program was established to comply with the federal Omnibus Budget Reconciliation Act (OBRA) of 1993. Those affected by estate recovery include:

- Institutionalized patients of any age who were required to pay most of their monthly income for the cost of their care and
- Those 55 years of age or older who received nursing home or community long-term care services.

If the value of an estate is determined by the court to be at least $10,000, DHHS files a claim to recover the cost of their care from those assets.

Casualty claims arise from accidents that are caused by someone other then the Medicaid recipient. Most casualty collections are from auto insurance, but a significant number are also from homeowner's and property insurance. The majority of casualty case files originate from the automated Medicaid Accident Questionnaire and attorney referrals.

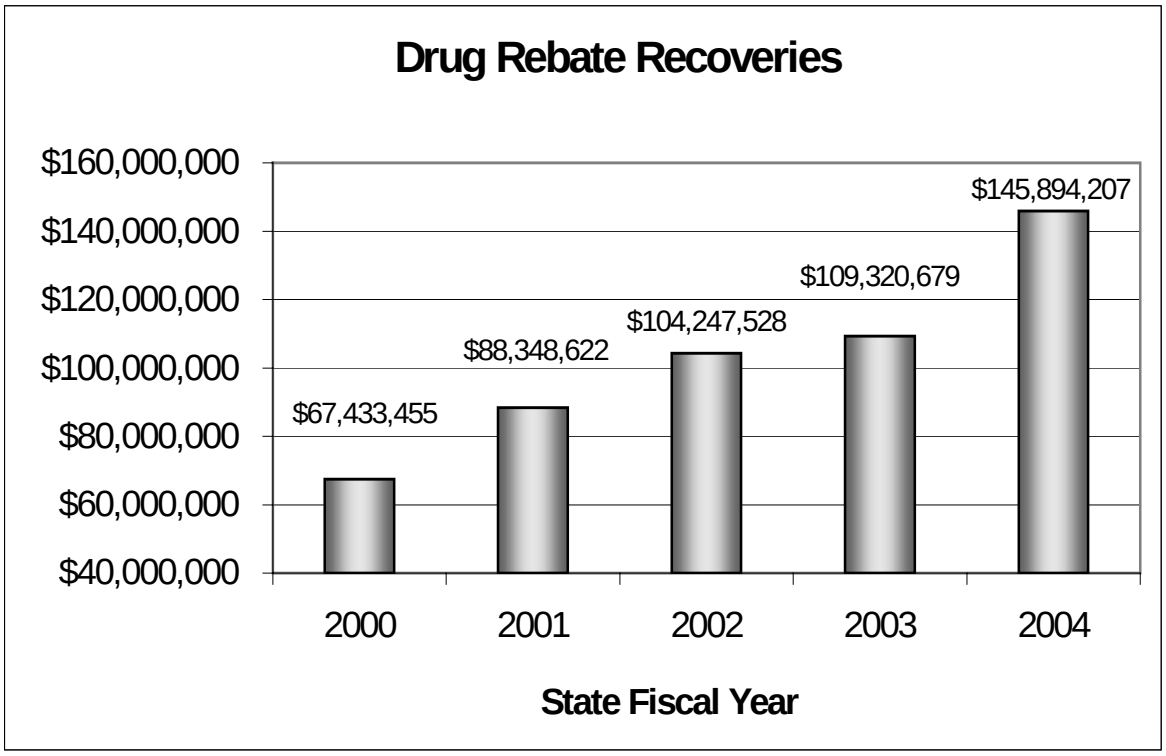
Third Party Liability Cost Savings

	Total Funds			
	SFY01	SFY02	SFY03	SFY04
HEALTH INSURANCE RECOVERIES	$ 26,572,378	$ 27,718,593	$ 27,501,195	$ 26,816,177
ESTATE RECOVERIES	$ 5,177,709	$ 3,687,835	$ 4,920,315	$ 5,564,683
CASUALTY RECOVERIES	$ 4,808,786	$ 5,245,000	$ 5,068,773	$ 4,904,598
TOTAL THIRD PARTY LIABILITY RECOVERIES [1]	**$ 9,986,495**	**$ 8,932,835**	**$ 9,989,088**	**$ 10,469,281**

[1] Does not include cost avoidance

Medicaid Pharmacy Rebates

DHHS' Drug Rebate unit collects pharmaceutical rebates owed to DHHS under Federal law. The agency strives to collect all allowable rebate funds, and the current collection rate is more than 99% of invoice totals - a 23% increase from SFY 2003.



* Rebate collections are based on calendar year expenditures because there is a federally required 6-month lag in rebate recovery.

APPENDICES

APPENDIX A

DEPARTMENT OF HEALTH & HUMAN SERVICES
MEDICAID ASSISTANCE ACTIVITY
TOTAL EXPENDITURES
STATE FISCAL YEAR 2003 - 2004

DHHS Medicaid Assistance:	**FY 2001-02**	**FY 2002-03**	**Change**	**FY 2003-04**	**Change**
Hospital Services	616,263,806	651,859,670	5.8%	608,422,811	-6.7%
Nursing Home Services [1]	360,362,235	390,695,134	8.4%	421,068,611	7.8%
Pharmacy Services	417,965,171	507,637,036	21.5%	607,150,455	19.6%
Physician Services	203,633,032	226,787,198	11.4%	239,414,028	5.6%
Dental Services	79,718,384	83,372,406	4.6%	89,157,464	6.9%
Community Long Term Care	80,973,315	80,021,822	-1.2%	76,135,097	-4.9%
Home Health	16,913,688	12,481,669	-26.2%	11,956,118	-4.2%
EPSDT Screening	11,023,627	11,240,634	2.0%	11,523,818	2.5%
Medical Professional	14,116,092	16,363,969	15.9%	16,338,753	-0.2%
Transportation	38,992,379	41,254,435	5.8%	42,838,875	3.8%
Lab & X-Ray	21,004,676	23,753,322	13.1%	26,983,566	13.6%
Family Planning Services	15,740,278	18,479,495	17.4%	19,506,476	5.6%
SMI Regular	76,047,169	83,366,067	9.6%	90,942,468	9.1%
SMI-MAO	6,407,431	6,758,266	5.5%	6,737,542	-0.3%
Hospice	3,384,361	4,008,561	18.4%	4,723,790	17.8%
Optional State Supplement (OSS)	16,088,596	15,772,579	-2.0%	14,986,554	-5.0%
Integrated Personal Care (IPC)		99,827		1,182,387	1084.4%
Clinic Services	62,713,300	75,540,578	20.5%	85,916,074	13.7%
Durable Medical Equipment	38,657,053	41,530,746	7.4%	42,393,142	2.1%
Managed Care	38,766,560	61,301,677	58.1%	71,163,815	16.1%
Total DHHS Medicaid Assistance	**2,118,771,153**	**2,352,325,091**	**11.0%**	**2,488,541,843**	**5.8%**
Other State Agency Medicaid Assistance :					
Department of Mental Health	176,915,739	195,109,098	10.3%	171,365,310	-12.2%
Department of Disabilities & Special Needs	447,672,251	412,816,446	-7.8%	412,987,890	0.0%
Department of Health & Environmental Control	33,915,283	38,725,914	14.2%	37,298,961	-3.7%
Medical University of South Carolina	14,538,468	27,829,341	91.4%	41,939,631	50.7%
University of South Carolina	2,833,498	5,612,272	98.1%	5,690,602	1.4%
Department of Alcohol & Other Drug Abuse Services	15,857,149	11,839,390	-25.3%	13,879,179	17.2%
Continuum of Care	8,529,603	10,328,196	21.1%	8,898,251	-13.8%
School for the Deaf & Blind	1,391,696	2,048,508	47.2%	3,437,980	67.8%
Department of Social Services	60,534,139	52,182,875	-13.8%	50,324,531	-3.6%
Department of Juvenile Justice	17,786,139	23,598,126	32.7%	20,449,250	-13.3%
Department of Education	74,306,918	69,965,732	-5.8%	68,705,945	-1.8%
Commission for the Blind	22,299	25,449	14.1%	8,876	-65.1%
Total Other Agency Medicaid Assistance	**854,303,182**	**850,081,347**	**-0.5%**	**834,986,406**	**-1.8%**
Other Entities [2]	58,721,942	143,715,587	144.7%	210,473,059	46.5%
Palmetto Senior Care	11,552,393	10,652,045	-7.8%	8,598,568	-19.3%
Emotionally Disturbed Children	47,091,350	53,384,687	13.4%	54,573,513	2.2%
Total Medical Assistance	**3,090,440,020**	**3,410,158,757**	**10.3%**	**3,597,173,389**	**5.5%**
Disproportionate Share	391,164,960	344,493,511	-11.9%	489,351,755	42.0%
Total Medical Asst with Disproportionate Share	**3,481,604,980**	**3,754,652,268**	**7.8%**	**4,086,525,144**	**8.8%**

SOURCE: DAFR 9427

[1] State Fiscal Year 2003 includes prior period adjustment of $9,671,355 to correct revenue posted as refund of expenditure.
[2] Includes Hospital UPL's and other payments not directly associated with a service line.

APPENDIX B

DEPARTMENT OF HEALTH & HUMAN SERVICES
MEDICAID ASSISTANCE ACTIVITY
UNDUPLICATED MEDICAID RECIPIENTS
STATE FISCAL YEAR 2003 - 2004

DHHS Medicaid Assistance:	**FY 2001-02**	**FY 2002-03**	% **Change**	**FY 2003-04**	% **Change**
Hospital Services	413,507	414,934	0.3%	397,239	-4.3%
Nursing Home Services	17,521	16,591	-5.3%	16,626	0.2%
Pharmacy Services	559,394	589,961	5.5%	596,139	1.0%
Physician Services	529,154	530,723	0.3%	518,306	-2.3%
Dental Services	224,483	246,075	9.6%	253,117	2.9%
Community Long Term Care	15,797	15,509	-1.8%	15,889	2.5%
Home Health	8,638	7,765	-10.1%	7,328	-5.6%
EPSDT Screening	114,941	116,083	1.0%	116,225	0.1%
Medical Professional	158,643	162,059	2.2%	153,760	-5.1%
Transportation	52,541	51,292	-2.4%	51,030	-0.5%
Lab & X-Ray	225,292	236,216	4.8%	239,743	1.5%
Family Planning Services	103,835	112,657	8.5%	112,684	0.0%
SMI Regular	121,473	125,270	3.1%	126,893	1.3%
SMI-MAO	13,622	13,919	2.2%	13,621	-2.1%
Hospice	511	606	18.6%	601	-0.8%
Optional State Supplement (OSS)	5,862	5,687	-3.0%	5,494	-3.4%
Integrated Personal Care (IPC)		98	0.0%	496	406.1%
Clinic Services	180,337	184,610	2.4%	194,891	5.6%
Durable Medical Equipment	70,145	70,830	1.0%	70,963	0.2%
Managed Care	57,226	74,284	29.8%	78,002	5.0%
Unduplicated Total Recipients - DHHS[1]	**798,264**	**846,887**	**6.1%**	**856,756**	**1.2%**
Other State Agency Medicaid Assistance:					
Department of Mental Health	49,301	50,882	3.2%	50,195	-1.4%
Department of Disabilities & Special Needs	18,249	18,456	1.1%	18,509	0.3%
Department of Health & Environmental Control	183,150	181,443	-0.9%	166,010	-8.5%
Medical University of South Carolina	3,746	4,597	22.7%	5,051	9.9%
University of South Carolina	2,262	2,234	-1.2%	2,325	4.1%
Department of Alcohol & Other Drug Abuse Services	8,350	8,850	6.0%	8,929	0.9%
Continuum of Care	652	629	-3.5%	521	-17.2%
School for the Deaf & Blind	600	621	3.5%	621	0.0%
Department of Social Services	16,636	12,150	-27.0%	12,258	0.9%
Department of Juvenile Justice	8,206	9,057	10.4%	7,958	-12.1%
Department of Education	44,131	51,152	15.9%	69,568	36.0%
Commission for the Blind	224	222	-0.9%	136	-38.7%
Unduplicated Total Recipients - Other Agencies[(1)]	**283,518**	**289,863**	**2.2%**	**291,104**	**0.4%**
Other Entities	9,578	10,756	12.3%	23,127	115.0%
Palmetto SeniorCare	402	375	-6.7%	367	-2.1%
Emotionally Disturbed Children	1,915	1,940	1.3%	2,010	3.6%
Total Unduplicated Recipients with EDC [1]	**816,112**	**864,084**	**5.9%**	**874,420**	**1.2%**

SOURCE: MMIS 8500 REPORT

[1)] Amounts are not cumulative sums of service lines but are unduplicated totals.

DHHS percentage of the total unduplicated recipients for FY 2003-04	**97.98%**	YTD
DHHS percentage of the total unduplicated recipients for FY 2002-03	**97.94%**	YTD
DHHS percentage of the total unduplicated recipients for FY 2002-03	**98.01%**	ANNUAL
DHHS percentage of the total unduplicated recipients for FY 2001-02	**97.81%**	ANNUAL

APPENDIX C

DEPARTMENT OF HEALTH & HUMAN SERVICES
MEDICAID ASSISTANCE ACTIVITY
MEDICAID TRANSACTIONS
STATE FISCAL YEAR 2003 - 2004

DHHS Medicaid Assistance:	FY 2001-02	FY 2002-03	% Change	FY 2003-04	% Change
Hospital Services	1,664,652	1,616,156	-2.9%	1,489,703	-7.8%
Nursing Home Services	158,637	148,554	-6.4%	149,388	0.6%
Pharmacy Services	8,195,237	9,671,038	18.0%	10,970,996	13.4%
Physician Services	4,709,683	4,512,464	-4.2%	4,421,068	-2.0%
Dental Services	1,699,842	1,892,695	11.3%	1,994,068	5.4%
Community Long Term Care	3,410,504	3,455,095	1.3%	3,364,093	-2.6%
Home Health	159,067	141,246	-11.2%	128,495	-9.0%
EPSDT Screening	207,552	208,475	0.4%	209,989	0.7%
Medical Professional	592,800	638,797	7.8%	636,661	-0.3%
Transportation	416,119	400,264	-3.8%	478,141	19.5%
Lab & X-Ray	1,355,559	1,448,794	6.9%	1,534,996	5.9%
Family Planning Services	408,020	483,127	18.4%	561,367	16.2%
SMI Regular	1,326,973	1,366,413	3.0%	1,371,623	0.4%
SMI-MAO	119,991	122,973	2.5%	109,831	-10.7%
Hospice	3,768	3,122	-17.1%	3,112	-0.3%
Optional State Supplement (OSS)	54,600	53,509	-2.0%	52,784	-1.4%
Integrated Personal Care (IPC)		268		3,111	1060.8%
Clinic Services	783,023	926,985	18.4%	1,085,692	17.1%
Durable Medical Equipment	525,804	585,538	11.4%	599,973	2.5%
Managed Care	459,321	655,089	42.6%	631,427	-3.6%
Total DHHS Medicaid Assistance	**26,251,152**	**28,330,602**	**7.9%**	**29,796,518**	**5.2%**
Other State Agency Medicaid Assistance:					
Department of Mental Health	1,283,415	1,372,508	6.9%	1,373,199	0.1%
Department of Disabilities & Special Needs	637,422	693,874	8.9%	733,653	5.7%
Department of Health & Environmental Control	930,644	964,132	3.6%	814,219	-15.5%
Medical University of South Carolina	35,421	44,354	25.2%	42,677	-3.8%
University of South Carolina	5,626	5,310	-5.6%	4,904	-7.6%
Department of Alcohol & Other Drug Abuse Services	132,550	143,686	8.4%	146,347	1.9%
Continuum of Care	43,628	47,450	8.8%	34,221	-27.9%
School for the Deaf & Blind	32,225	35,960	11.6%	42,034	16.9%
Department of Social Services	219,486	204,218	-7.0%	185,145	-9.3%
Department of Juvenile Justice	48,634	53,205	9.4%	49,247	-7.4%
Department of Education	1,329,679	1,632,667	22.8%	1,575,678	-3.5%
Commission for the Blind	1,028	956	-7.0%	322	-66.3%
Total Other Agency Medicaid Assistance	**4,699,758**	**5,198,320**	**10.6%**	**5,001,646**	**-3.8%**
Other Entities	134,181	180,918	34.8%	276,068	52.6%
Palmetto SeniorCare	4,095	3,776	-7.8%	3,516	-6.9%
Emotionally Disturbed Children	84,321	81,710	-3.1%	83,224	1.9%
Total Medical Assistance	**31,173,507**	**33,795,326**	**8.4%**	**35,160,972**	**4.0%**

SOURCE: MMIS 8500 REPORT

Transactions reflect claim service lines for the dental claim type and CMS-1500 claim type (physician and other professional providers). All other transactions reflect claim counts (pharmacy, hospital, nursing home, etc.)

APPENDIX D

DEPARTMENT OF HEALTH & HUMAN SERVICES
MEDICAID ASSISTANCE ACTIVITY
AVERAGE TRANSACTIONS PER MEDICAID RECIPIENT
STATE FISCAL YEAR 2003 - 2004

DHHS Medicaid Assistance:	FY 2001-02	FY 2002-03	% Change	2004	% Change
Hospital Services	4.0	3.9	-3.2%	3.8	-3.7%
Nursing Home Services	9.1	9.0	-1.1%	9.0	0.3%
Pharmacy Services	14.7	16.4	11.9%	18.4	12.3%
Physician Services	8.9	8.5	-4.5%	8.5	0.3%
Dental Services	7.6	7.7	1.6%	7.9	2.4%
Community Long Term Care	215.9	222.8	3.2%	211.7	-5.0%
Home Health	18.4	18.2	-1.2%	17.5	-3.6%
EPSDT Screening	1.8	1.8	-0.5%	1.8	0.6%
Medical Professional	3.7	3.9	5.5%	4.1	5.0%
Transportation	7.9	7.8	-1.5%	9.4	20.1%
Lab & X-Ray	6.0	6.1	1.9%	6.4	4.4%
Family Planning Services	3.9	4.3	9.1%	5.0	16.2%
SMI Regular	10.9	10.9	-0.1%	10.8	-0.9%
SMI-MAO	8.8	8.8	0.3%	8.1	-8.7%
Hospice	7.4	5.2	-30.1%	5.2	0.5%
Optional State Supplement (OSS)	9.3	9.4	1.0%	9.6	2.1%
Integrated Personal Care (IPC)		2.7		6.3	129.4%
Clinic Services	4.3	5.0	15.6%	5.6	10.9%
Durable Medical Equipment	7.5	8.3	10.3%	8.5	2.3%
Managed Care	8.0	8.8	9.9%	8.1	-8.2%
Total DHHS Medicaid Assistance [1]	**32.9**	**33.5**	**1.7%**	**34.8**	**4.0%**
Other State Agency Medicaid Assistance:					
Department of Mental Health	26.0	27.0	3.6%	27.4	1.4%
Department of Disabilities & Special Needs	34.9	37.6	7.6%	39.6	5.4%
Department of Health & Environmental Control	5.1	5.3	4.6%	4.9	-7.7%
Medical University of South Carolina	9.5	9.6	2.0%	8.4	-12.4%
University of South Carolina	2.5	2.4	-4.4%	2.1	-11.3%
Department of Alcohol & Other Drug Abuse Services	15.9	16.2	2.3%	16.4	1.0%
Continuum of Care	66.9	75.4	12.7%	65.7	-12.9%
School for the Deaf & Blind	53.7	57.9	7.8%	67.7	16.9%
Department of Social Services	13.2	16.8	27.4%	15.1	-10.1%
Department of Juvenile Justice	5.9	5.9	-0.9%	6.2	5.3%
Department of Education	30.1	31.9	5.9%	22.6	-29.0%
Commission for the Blind	4.6	4.3	-6.2%	2.4	-45.0%
Total Other Agency Medicaid Assist [1]	**16.6**	**17.9**	**8.2%**	**17.2**	**-4.2%**
Other Entities	14.0	16.8	20.1%	11.9	-29.0%
Palmetto SeniorCare	10.2	10.1	-1.2%	9.6	-4.9%
Emotionally Disturbed Children	44.0	42.1	-4.3%	41.4	-1.7%
Total Medical Assistance [1]	**38.2**	**39.1**	**2.4%**	**40.2**	**2.8%**

SOURCE: MMIS 8500 REPORT

[1] Amounts are not cumulative sums of service lines but are unduplicated totals for all services.

Transactions reflect claim service lines for the dental claim type and CMS-1500 claim type (physician and other professional providers). All other transactions reflect claim counts (pharmacy, hospital, nursing home, etc.)

APPENDIX E

DEPARTMENT OF HEALTH & HUMAN SERVICES
MEDICAID ASSISTANCE ACTIVITY
COST PER RECIPIENT
STATE FISCAL YEAR 2003 - 2004

DHHS Medicaid Assistance:	FY 2001-02	FY 2002-03	% Change	FY 2003-04	% Change
Hospital Services	1,490	1,571	5.4%	1,532	-2.5%
Nursing Home Services	20,567	23,549	14.5%	25,326	7.5%
Pharmacy Services	747	860	15.2%	1,018	18.4%
Physician Services	385	427	11.0%	462	8.1%
Dental Services	355	339	-4.6%	352	4.0%
Community Long Term Care	5,126	5,160	0.7%	4,792	-7.1%
Home Health	1,958	1,607	-17.9%	1,632	1.5%
EPSDT Screening	96	97	1.0%	99	2.4%
Medical Professional	89	101	13.5%	106	5.2%
Transportation	742	804	8.4%	839	4.4%
Lab & X-Ray	93	101	7.9%	113	11.9%
Family Planning Services	152	164	8.2%	173	5.5%
SMI Regular	626	665	6.3%	717	7.7%
SMI-MAO	470	486	3.2%	495	1.9%
Hospice	6,623	6,615	-0.1%	7,860	18.8%
Optional State Supplement (OSS)	2,745	2,773	1.1%	2,728	-1.6%
Integrated Personal Care (IPC)		1,019		2,384	134.0%
Clinic Services	348	409	17.7%	441	7.7%
Durable Medical Equipment	551	586	6.4%	597	1.9%
Managed Care	677	825	21.8%	912	10.6%
Cost per unduplicated recipient-DHHS [(1)]	**2,654**	**2,778**	**4.6%**	**2,905**	**4.6%**
Other State Agency Medicaid Assistance:					
Department of Mental Health	3,588	3,835	6.9%	3,414	-11.0%
Department of Disabilities & Special Needs	24,531	22,368	-8.8%	22,313	-0.2%
Department of Health & Environmental Control	185	213	15.3%	225	5.3%
Medical University of South Carolina	3,881	6,054	56.0%	8,303	37.2%
University of South Carolina	1,253	2,512	100.6%	2,448	-2.6%
Department of Alcohol & Other Drug Abuse Services	1,899	1,338	-29.6%	1,554	16.2%
Continuum of Care	13,082	16,420	25.5%	17,079	4.0%
School for the Deaf & Blind	2,319	3,299	42.2%	5,536	67.8%
Department of Social Services	3,639	4,295	18.0%	4,105	-4.4%
Department of Juvenile Justice	2,167	2,606	20.2%	2,570	-1.4%
Department of Education	1,684	1,368	-18.8%	988	-27.8%
Commission for the Blind	100	115	15.2%	65	-43.1%
Cost per unduplicated recipient-Other Agencies[(1)]	**3,013**	**2,933**	**-2.7%**	**2,868**	**-2.2%**
Other Entities	6,131	13,361	117.9%	9,101	-31.9%
Palmetto SeniorCare	28,737	28,405	-1.2%	23,429	-17.5%
Emotionally Disturbed Children	24,591	27,518	11.9%	27,151	-1.3%
Cost per Unduplicated Recipients (without DSH)[(1)]	**3,787**	**3,947**	**4.2%**	**4,114**	**4.1%**
Cost per Unduplicated Recipients (including DSH)[(1)]	**4,266**	**4,345**	**1.9%**	**4,673**	**7.2%**

SOURCE: DAFR 9427, MMIS 8500 REPORTS

[1)] Amounts are not cumulative sums of service lines but are unduplicated totals for all services.
DSH = Disproportionate Share.

APPENDIX F

DEPARTMENT OF HEALTH & HUMAN SERVICES
MEDICAID ASSISTANCE ACTIVITY
PERCENTAGE OF RECIPIENTS UTILIZING EACH MEDICAID SERVICE
STATE FISCAL YEAR 2003 - 2004

DHHS Medicaid Assistance:	FY 2001-02	FY 2002-03	% Change	2004	% Change
Hospital Services	50.67%	48.02%	-5.23%	45.43%	-5.40%
Nursing Home Services	2.15%	1.92%	-10.69%	1.90%	-0.97%
Pharmacy Services	68.54%	68.28%	-0.39%	68.18%	-0.15%
Physician Services	64.84%	61.42%	-5.27%	59.27%	-3.49%
Dental Services	27.51%	28.48%	3.52%	28.95%	1.65%
Community Long Term Care	1.94%	1.79%	-7.48%	1.82%	1.24%
Home Health	1.06%	0.90%	-15.22%	0.84%	-6.74%
EPSDT Screening	14.08%	13.43%	-4.59%	13.29%	-1.06%
Medical Professional	19.44%	18.76%	-3.52%	17.58%	-6.24%
Transportation	6.44%	5.94%	-7.83%	5.84%	-1.69%
Lab & X-Ray	27.61%	27.34%	-0.99%	27.42%	0.29%
Family Planning Services	12.72%	13.04%	2.50%	12.89%	-1.16%
SMI Regular	14.88%	14.50%	-2.55%	14.51%	0.08%
SMI-MAO	1.67%	1.61%	-3.59%	1.56%	-3.25%
Hospice	0.06%	0.07%	16.89%	0.07%	-2.00%
Optional State Supplement (OSS)	0.72%	0.66%	-8.59%	0.63%	-4.54%
Integrated Personal Care (IPC)		0.01%		0.06%	400.14%
Clinic Services	22.10%	21.36%	-3.33%	22.29%	4.32%
Durable Medical Equipment	8.60%	8.20%	-4.68%	8.12%	-1.00%
Managed Care	7.01%	8.60%	22.64%	8.92%	3.76%
Other State Agency Medicaid Assistance:					
Department of Mental Health	6.04%	5.89%	-2.51%	5.74%	-2.52%
Department of Disabilities & Special Needs	2.24%	2.14%	-4.65%	2.12%	-0.90%
Department of Health & Environmental Control	22.44%	21.00%	-6.42%	18.99%	-9.59%
Medical University of South Carolina	0.46%	0.53%	15.65%	0.58%	8.58%
University of South Carolina	0.28%	0.26%	-7.66%	0.27%	2.84%
Department of Alcohol & Other Drug Abuse Services	1.02%	1.02%	0.41%	1.02%	-0.30%
Continuum of Care	0.08%	0.07%	-9.01%	0.06%	-18.15%
School for the Deaf & Blind	0.07%	0.07%	2.67%	0.07%	-1.18%
Department of Social Services	2.04%	1.41%	-31.07%	1.40%	-0.30%
Department of Juvenile Justice	1.01%	1.05%	3.78%	0.91%	-13.17%
Department of Education	5.41%	5.92%	9.42%	7.96%	34.39%
Commission for the Blind	0.03%	0.03%	-14.36%	0.02%	-39.46%
Other Entities	1.17%	1.24%	6.39%	2.64%	112.47%
Palmetto SeniorCare	0.05%	0.04%	-13.20%	0.04%	-3.29%
Emotionally Disturbed Children	0.23%	0.22%	-2.38%	0.23%	2.38%

SOURCE: MMIS 8500 REPORT

APPENDIX G

DEPARTMENT OF HEALTH & HUMAN SERVICES
MEDICAID ASSISTANCE ACTIVITY
COST PER TRANSACTION
STATE FISCAL YEAR 2003 - 2004

DHHS Medicaid Assistance:	FY 2001-02	FY 2002-03	% Change	FY 2003-04	% Change
Hospital Services	370.21	403.34	9.0%	408.42	1.3%
Nursing Home Services	2,271.62	2,629.99	15.8%	2,818.62	7.2%
Pharmacy Services	51.00	52.49	2.9%	55.34	5.4%
Physician Services	43.24	50.26	16.2%	54.15	7.8%
Dental Services	46.90	44.05	-6.1%	44.71	1.5%
Community Long Term Care	23.74	23.16	-2.5%	22.63	-2.3%
Home Health	106.33	88.37	-16.9%	93.05	5.3%
EPSDT Screening	53.11	53.92	1.5%	54.88	1.8%
Medical Professional	23.81	25.62	7.6%	25.66	0.2%
Transportation	93.70	103.07	10.0%	89.59	-13.1%
Lab & X-Ray	15.50	16.40	5.8%	17.58	7.2%
Family Planning Services	38.58	38.25	-0.8%	34.75	-9.2%
SMI Regular	57.31	61.01	6.5%	66.30	8.7%
SMI-MAO	53.40	54.96	2.9%	61.34	11.6%
Hospice	898.18	1,283.97	43.0%	1,517.93	18.2%
Optional State Supplement (OSS)	294.66	294.76	0.0%	283.92	-3.7%
Integrated Personal Care (IPC)		372.49		380.07	2.0%
Clinic Services	80.09	81.49	1.7%	79.13	-2.9%
Durable Medical Equipment	73.52	70.93	-3.5%	70.66	-0.4%
Managed Care	84.40	93.58	10.9%	112.70	20.4%
Cost per Transaction-DHHS [1]	**80.71**	**83.03**	**2.9%**	**83.52**	**0.6%**
Other State Agency Medicaid Assistance:					
Department of Mental Health	137.85	142.16	3.1%	124.79	-12.2%
Department of Disabilities & Special Needs	702.32	594.94	-15.3%	562.92	-5.4%
Department of Health & Environmental Control	36.44	40.17	10.2%	45.81	14.0%
Medical University of South Carolina	410.45	627.44	52.9%	982.72	56.6%
University of South Carolina	503.64	1,056.93	109.9%	1,160.40	9.8%
Department of Alcohol & Other Drug Abuse Services	119.63	82.40	-31.1%	94.84	15.1%
Continuum of Care	195.51	217.66	11.3%	260.02	19.5%
School for the Deaf & Blind	43.19	56.97	31.9%	81.79	43.6%
Department of Social Services	275.80	255.53	-7.4%	271.81	6.4%
Department of Juvenile Justice	365.71	443.53	21.3%	415.24	-6.4%
Department of Education	55.88	42.85	-23.3%	43.60	1.8%
Commission for the Blind	21.69	26.62	22.7%	27.56	3.5%
Cost per Transaction-Other Agencies [1]	**181.78**	**163.53**	**-10.0%**	**166.94**	**2.1%**
Other Entities	437.63	794.37	81.5%	762.40	-4.0%
Palmetto SeniorCare	2,821.10	2,820.99	0.0%	2,445.55	-13.3%
Emotionally Disturbed Children	558.48	653.34	17.0%	655.74	0.4%
Cost per Transaction (without DSH) [1]	**99.14**	**100.91**	**1.8%**	**102.31**	**2.1%**
Cost per Transaction (including DSH) [1]	**111.68**	**111.10**	**-0.5%**	**116.22**	**5.2%**

SOURCE: DAFR 9427, MMIS 8500 REPORTS

[1] Amounts are not cumulative sums of service lines but are unduplicated totals for all services.
DSH = Disproportionate Share.

Transactions reflect claim service lines for the dental claim type and CMS-1500 claim type (physician and other professional providers). All other transactions reflect claim counts (pharmacy, hospital, nursing home, etc.)

APPENDIX H

MEDICAID ASSISTANCE ACTIVITY
TOTAL PAID CLAIMS BY MAJOR CATEGORIES
STATE FISCAL YEAR 2003-2004

DHHS Medicaid Assistance:	Pregnant Women and Infants	Children	Low Income Families	Elderly/Disabled	Total
Inpatient Hospital	$159,947,623	$26,543,385	$74,077,644	$232,374,716	$492,943,368
Outpatient Hospital	$12,185,318	$18,262,438	$28,427,519	$31,443,519	$90,318,795
Hospital Based Physician	$3,259,406	$3,314,919	$4,762,902	$4,273,149	$15,610,375
Hospital Services	$175,392,347	$48,120,743	$107,268,065	$268,091,384	$598,872,539
Nursing Home Services		$5,963	$22,556	$374,290,187	$374,318,706
Pharmacy Services	$13,257,755	$58,450,495	$78,319,858	$465,095,847	$615,123,954
Physician Services	$72,025,914	$38,675,034	$59,034,832	$74,080,744	$243,816,524
Dental Services	$1,570,388	$47,693,625	$29,945,768	$9,842,982	$89,052,764
Community Long Term Care	$145	$84,993	$167,314	$76,099,140	$76,351,592
Home Health	$1,028,464	$337,222	$943,521	$7,653,854	$9,963,060
EPSDT Screening	$6,592,015	$2,956,116	$1,739,207	$241,705	$11,529,043
Medical Professional	$2,532,010	$5,419,568	$4,973,596	$3,628,676	$16,553,850
Transportation [1]	$2,688,489	$2,538,077	$5,097,182	$34,012,237	$44,335,985
Lab & X-Ray	$7,548,342	$3,591,064	$9,060,100	$7,044,317	$27,243,823
Family Planning Services	$4,513,200	$1,896,683	$14,680,046	$1,088,562	$22,178,491
SMI Regular	$27,412	$11,630	$241,747	$91,856,290	$92,137,079
SMI-MAO			$18,760	$6,918,344	$6,937,104
Hospice	$5,934		$185,738	$4,532,119	$4,723,790
Optional State Supplement (OSS)			$3,175	$15,082,205	$15,085,380
Integrated Personal Care (IPC)			$0	$1,182,387	$1,182,387
Clinic Services	$12,681,924	$13,850,293	$15,147,351	$38,077,548	$79,757,117
Durable Medical Equipment	$3,741,042	$2,928,206	$5,678,435	$33,721,933	$46,069,616
Managed Care	$8,603,215	$12,930,284	$21,897,740	$17,477,644	$60,908,883
Total DHHS Medicaid Assistance	**$312,208,596**	**$239,489,996**	**$354,424,989**	**$1,530,018,106**	**$2,436,141,686**
Other State Agency Medicaid Assistance:					
Department of Mental Health	$355,652	$33,633,688	$20,259,468	$111,314,999	$165,563,807
Department of Disabilities & Special Needs	$502,166	$2,901,624	$2,159,649	$380,636,540	$386,199,978
Department of Health & Environmental Control	$9,743,104	$5,186,385	$13,758,250	$6,355,483	$35,043,222
Medical University of South Carolina	$139,185	$4,525,929	$3,096,983	$3,755,077	$11,517,175
University of South Carolina	$87,443	$977,476	$755,616	$792,667	$2,613,202
Department of Alcohol & Other Drug Abuse Svcs	$1,296,315	$3,527,268	$6,381,450	$1,855,441	$13,060,474
Continuum of Care	$42,626	$2,597,833	$1,098,603	$5,107,765	$8,846,828
School for the Deaf & Blind	$118,528	$199,737	$105,738	$2,160,281	$2,584,284
Department of Social Services	$629,406	$7,431,731	$22,056,471	$11,315,925	$41,433,533
Department of Juvenile Justice	$77,966	$15,011,572	$3,792,615	$1,578,751	$20,460,904
Department of Education	$4,731	$15,334,411	$9,551,718	$11,747,188	$36,638,047
Commission for the Blind	$16	$1,503	$311	$7,045	$8,876
Total Other Agency Medicaid Assistance	**$12,997,138**	**$91,329,157**	**$83,016,872**	**$536,627,163**	**$723,970,330**
Other Entities	$554,582	$4,329,556	$2,604,159	$3,937,941	$11,426,239
Palmetto Senior Care				$8,598,568	$8,598,568
Emotionally Disturbed Children		$13,051,691	$43,470,967	$9,599,535	$66,122,193
Total Other Entities, PSC, and EDC	**$554,582**	**$17,381,247**	**$46,075,127**	**$22,136,044**	**$86,147,000**
Total Medicaid Assistance	**$325,760,315**	**$348,200,400**	**$483,516,988**	**$2,088,781,313**	**$3,246,259,016**

SOURCE: CCA2900 Report

[1] Transportation contract payments have been proportionately spread across the major categories.

APPENDIX I

South Carolina Department of Health and Human Services
Paid Claims by County
State Fiscal Year 2003-2004

County	Paid Claims to Providers in County	% to Total	Rank	Paid Claims For Residents of County	Rank
Abbeville	$12,371,898	0.3%	39	$20,795,629	39
Aiken	$82,282,271	2.0%	13	$108,041,549	9
Allendale	$9,732,124	0.2%	42	$14,895,488	45
Anderson	$139,180,261	3.5%	7	$114,695,371	8
Bamberg	$19,418,945	0.5%	36	$18,791,869	40
Barnwell	$21,917,889	0.5%	32	$26,788,084	37
Beaufort	$57,116,597	1.4%	17	$51,637,135	20
Berkley	$37,310,107	0.9%	23	$84,621,281	15
Calhoun	$8,899,605	0.2%	44	$17,037,355	42
Charleston	$444,733,777	11.1%	2	$222,383,169	3
Cherokee	$27,954,646	0.7%	28	$40,698,286	28
Chester	$21,384,853	0.5%	33	$33,468,362	31
Chesterfield	$30,121,877	0.7%	27	$46,344,413	24
Clarendon	$35,186,937	0.9%	24	$42,771,363	26
Colleton	$33,446,774	0.8%	26	$42,930,461	25
Darlington	$66,286,454	1.7%	15	$72,503,902	16
Dillon	$21,223,004	0.5%	35	$39,166,012	30
Dorchester	$52,729,196	1.3%	19	$88,590,137	14
Edgefield	$8,759,883	0.2%	45	$16,218,944	43
Fairfield	$18,953,128	0.5%	37	$27,743,658	36
Florence	$227,389,989	5.7%	4	$151,058,516	5
Georgetown	$56,658,949	1.4%	18	$52,003,099	19
Greenville	$342,825,452	8.5%	3	$257,066,313	2
Greenwood	$87,818,080	2.2%	11	$49,351,669	22
Hampton	$13,327,679	0.3%	38	$20,804,118	38
Horry	$128,350,864	3.2%	8	$131,659,292	6
Jasper	$10,194,662	0.3%	41	$18,652,521	41
Kershaw	$34,484,778	0.9%	25	$40,405,367	29
Lancaster	$42,311,982	1.1%	20	$53,064,946	18
Laurens	$70,480,316	1.8%	14	$98,259,815	11
Lee	$11,458,241	0.3%	40	$28,986,277	35
Lexington	$148,711,232	3.7%	6	$129,677,972	7
McCormick	$6,726,378	0.2%	46	$8,794,279	46
Marion	$37,968,657	0.9%	22	$47,696,566	23
Marlboro	$21,310,518	0.5%	34	$31,152,083	33
Newberry	$21,953,179	0.5%	31	$33,289,599	32
Oconee	$41,330,931	1.0%	21	$50,621,769	21
Orangeburg	$90,902,887	2.3%	10	$95,930,459	12
Pickens	$57,974,223	1.4%	16	$65,087,109	17
Richland	$740,945,670	18.4%	1	$273,530,857	1
Saluda	$9,007,247	0.2%	43	$15,624,523	44
Spartanburg	$215,759,647	5.4%	5	$173,438,063	4
Sumter	$84,252,065	2.1%	12	$92,417,089	13
Union	$23,170,578	0.6%	30	$30,815,898	34
Williamsburg	$24,507,885	0.6%	29	$41,855,287	27
York	$105,310,147	2.6%	9	$100,204,099	10
NC<25 MI	$32,643,343	0.8%	N/A	$0	N/A
NC>25 MI	$9,817,962	0.2%	N/A	$0	N/A
GA< 25 MI	$59,224,422	1.5%	N/A	$0	N/A
GA>25 MI	$3,841,118	0.1%	N/A	$0	N/A
Other (buy-in)	$107,449,024	2.7%	N/A	$0	N/A

[1)] PAID CLAIMS FOR RESIDENTS DO NOT INCLUDE GROSS ADJUSTMENTS OR CONTRACTUAL TRANSPORTATION

APPENDIX J

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
MEDICAID EXPENDITURES BY RECIPIENT AGE
(APPROXIMATED, EXCLUDING DISPROPORTIONATE SHARE)
STATE FISCAL YEAR 2003-2004

	Age 0 - 18	Age 19 - 64	Age 65 & over	All Ages
DHHS Medicaid Assistance:				
Hospital Services	$ 223,255,396	$ 353,417,838	$ 31,749,577	$ 608,422,811
Nursing Home Services	18,999	48,397,051	372,652,561	421,068,611
Pharmacy Services	122,750,796	298,136,929	186,262,729	607,150,454
Physician Services	100,302,396	129,891,208	9,220,425	239,414,028
Dental Services	75,973,944	11,956,382	1,227,138	89,157,464
Community Long Term Care	1,986,989	26,810,155	47,337,953	76,135,097
Home Health	2,900,267	7,190,534	1,865,317	11,956,118
EPSDT Screening	11,515,319	0	0	11,523,818
Medical Professional	9,966,110	5,942,120	430,524	16,338,753
Transportation	3,131,029	33,401,970	6,305,876	42,838,875
Lab & X-Ray	6,648,693	20,018,616	316,257	26,983,566
Managed Care	48,714,428	22,448,129	0	71,163,815
Family Planning Services	3,065,172	16,434,576	6,728	19,506,476
SMI Premiums	444,572	38,156,247	59,079,191	97,680,010
Hospice	83,828	3,524,236	1,115,726	4,723,790
Residential Care Facility	2,974	8,064,806	6,918,774	14,986,554
Integrated Personal Care (IPC)	0		959,641	1,182,387
Clinic Services	40,420,392	36,880,170	8,615,512	85,916,074
Durable Medical Equipment	14,544,393	24,728,904	3,119,845	42,393,142
Expenditures for DHHS Recipients	**665,725,696**	**1,085,399,869**	**737,183,776**	**2,488,541,843**
Other State Agency Medicaid Assistance:				
Department of Mental Health	67,712,904	82,968,272	20,684,134	171,365,310
Department of Diabilities & Special Needs	37,176,443	348,988,537	26,822,910	412,987,890
Department of Health & Environmental Control	17,905,043	18,855,846	538,072	37,298,961
Medical University of South Carolina	35,014,752	6,863,432	61,447	41,939,631
University of South Carolina	5,673,967	16,635	0	5,690,602
Department of Alcohol & Other Drug Abuse Services	6,822,024	7,042,207	14,948	13,879,179
Continuum of Care	8,628,047	270,204	0	8,898,251
School for the Deaf & Blind	2,715,045	722,935	0	3,437,980
Department of Social Services	44,025,522	3,850,670	2,448,339	50,324,531
Department of Juvenile Justice	20,404,162	45,088	0	20,449,250
Department of Education	67,653,849	1,052,096	0	68,705,945
Commission for the Blind	8,860	16	0	8,876
Expenditures for Other Agency Recipients	**313,740,618**	**470,675,939**	**50,569,850**	**834,986,406**
Other Entities [1]	206,511,771	3,699,165	262,123	210,473,059
Palmetto SeniorCare	0	743,369	7,855,199	8,598,568
Emotionally Disturbed Children	53,730,246	843,267	0	54,573,513
Total Expenditures for All Recipients	**$ 1,239,708,331**	**$ 1,561,361,609**	**$ 795,870,947**	**$ 3,597,173,389**

[1] Includes Hospital UPL's and other payments not directly associated with a service line.

APPENDIX K

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
NUMBER OF TRANSACTIONS BY RECIPIENT AGE
STATE FISCAL YEAR 2003-2004

	Age 0 - 18	Age 19 - 64	Age 65 & over	All Ages
DHHS Medicaid Assistance:				
Hospital Services	689,564	723,453	76,686	1,489,703
Nursing Home Services	8	16,388	132,992	149,388
Pharmacy Services	2,389,423	4,513,860	4,067,713	10,970,996
Physician Services	2,067,269	2,069,026	284,773	4,421,068
Dental Services	1,801,780	173,920	18,368	1,994,068
Community Long Term Care	61,402	1,074,623	2,228,068	3,364,093
Home Health	27,784	76,797	23,914	128,495
EPSDT Screening	209,826	163		209,989
Medical Professional	440,049	167,677	28,935	636,661
Transportation	43,888	239,932	194,321	478,141
Lab & X-Ray	454,834	1,056,970	23,192	1,534,996
Managed Care	535,684	95,740	3	631,427
Family Planning Services	106,030	455,176	161	561,367
SMI Premiums	5,979	592,260	883,215	1,481,454
Hospice	78	2,438	596	3,112
Residential Care Facility	10	26,173	26,601	52,784
Integrated Personal Care (IPC)		581	2,530	3,111
Clinic Services	436,600	446,786	202,306	1,085,692
Durable Medical Equipment	101,713	339,299	158,961	599,973
Total DHHS Medicaid Assistance	**9,371,921**	**12,071,262**	**8,353,335**	**29,796,518**
Other State Agency Medicaid Assistance:				
Department of Mental Health	467,295	835,934	69,970	1,373,199
Department of Diabilities & Special Needs	221,649	489,856	22,148	733,653
Department of Health & Environmental Control	367,864	442,607	3,748	814,219
Medical University of South Carolina	31,316	11,237	124	42,677
University of South Carolina	4,888	16		4,904
Department of Alcohol & Other Drug Abuse Services	83,918	62,205	224	146,347
Continuum of Care	33,161	1,060		34,221
School for the Deaf & Blind	38,053	3,981		42,034
Department of Social Services	99,465	8,557	6,127	114,149
Department of Juvenile Justice	48,218	1,029		49,247
Department of Education	1,564,797	10,881		1,575,678
Commission for the Blind	321	1	-	322
Total Other Agency Medicaid Assistance	**2,960,945**	**1,867,364**	**102,341**	**4,930,650**
Other Entities	272,083	3,959	26	276,068
Palmetto SeniorCare		304	3,212	3,516
Emotionally Disturbed Children	151,657	2,563		154,220
Total Medicaid Assistance	**12,756,606**	**13,945,452**	**8,458,914**	**35,160,972**

Transactions reflect claim service lines for the dental claim type and CMS-1500 claim type (physician and other professional providers). All other transactions reflect claim counts (pharmacy, hospital, nursing home, etc.)

APPENDIX L

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
NUMBER OF MEDICAID RECIPIENTS BY RECIPIENT AGE
STATE FISCAL YEAR 2003-2004

	Age 0 - 18	Age 19 - 64	Age 65 & over	All Ages
DHHS Medicaid Assistance:				
Hospital Services	217,839	146,238	33,162	397,239
Nursing Home Services	3	1,765	14,858	16,626
Pharmacy Services	313,170	188,127	94,842	596,139
Physician Services	295,409	172,468	50,429	518,306
Dental Services	213,155	36,044	3,918	253,117
Community Long Term Care	512	5,551	9,826	15,889
Home Health	2,491	3,815	1,022	7,328
EPSDT Screening	116,069	156		116,225
Medical Professional	88,924	51,215	13,621	153,760
Transportation	13,944	24,831	12,255	51,030
Lab & X-Ray	131,687	104,938	3,118	239,743
Managed Care	65,283	12,716	3	78,002
Family Planning Services	23,621	89,010	53	112,684
SMI Premiums	1,095	54,645	84,774	140,514
Hospice	14	478	109	601
Residential Care Facility	3	2,619	2,872	5,494
Integrated Personal Care (IPC)		114	382	496
Clinic Services	124,335	53,675	16,881	194,891
Durable Medical Equipment	23,078	30,566	17,319	70,963
Unduplicated Total Recipients - DHHS[1]	**468,878**	**271,184**	**116,694**	**856,756**
Other State Agency Medicaid Assistance:				
Department of Mental Health	26,755	21,377	2,063	50,195
Department of Diabilities & Special Needs	7,405	10,516	588	18,509
Department of Health & Environmental Control	96,914	68,521	575	166,010
Medical University of South Carolina	3,981	1,052	18	5,051
University of South Carolina	2,319	6		2,325
Department of Alcohol & Other Drug Abuse Services	5,186	3,716	27	8,929
Continuum of Care	515	6		521
School for the Deaf & Blind	594	27		621
Department of Social Services	8,863	1,754	1,641	12,258
Department of Juvenile Justice	7,932	26		7,958
Department of Education	69,202	366		69,568
Commission for the Blind	135	1	-	136
Unduplicated Total Recipients - Other Agencies[1]	**185,475**	**100,939**	**-** **4,690**	**291,104**
Other Entities	21,934	1,180	13	23,127
Palmetto SeniorCare		28	339	367
Emotionally Disturbed Children	1,987	23		2,010
		-		
Total Unduplicated Recipients[1]	**482,134**	**275,538**	**116,748**	**874,420**

1) Amounts are not cumulative sums of service lines but are unduplicated totals.

APPENDIX M

South Carolina Department of Health and Human Services

State/Federal Match Rates

FFY	Time Period	State Rate	Federal Rate
2000	10/01/99 - 9/30/00	30.05%	69.95%
2001	10/01/00 - 9/30/01	29.56%	70.44%
2002	10/01/01 - 9/30/02	30.66%	69.34%
2003	10/01/02 - 9/30/03	30.19%	69.81%
2003*	4/1/03 - 9/30/03	27.24%	72.76%
2004	10/01/03 - 9/30/04	30.14%	69.86%
2004*	10/01/03 -6/30/04	27.19%	72.81%
2005	10/01/04 - 9/30/05	30.11%	69.89%

* 2.95% enhanced rate for five quarters.

APPENDIX N

DEPARTMENT OF HEALTH AND HUMAN SERVICES
MEDICAID ELIGIBLES BY PAYMENT CATEGORY AND AGE GROUP
STATE FISCAL YEAR 2004

Payment Category	Group	0 - 18	19 - 64	65+	Unknown	Total
MAO (NURSING HOME)	ED	15	2,301	14,762	0	17,078
MAO (EXTENDED/TRANSITIONAL)	F	31,390	28,393	6	1	59,790
OCWI (INFANTS)	PW&I	41,030	5	0	41	41,076
MAO (FOSTERCARE/ADOPTION)	F	1,217	213	0	0	1,430
MAO (GENERAL HOSPITAL)	ED	15	158	80	0	253
MAO (WAIVERS-HOME&COMMUNITY)	ED	180	3,431	4,282	0	7,893
PASS ALONG EILGIBLES	ED	16	50	8	0	74
EARLY WIDOWS/WIDOWERS	ED	0	2	0	0	2
DISABLED WIDOWS/WIDOWERS	ED	0	0	0	0	0
DISABLED ADULT CHILDREN	ED	0	18	0	0	18
PASS ALONG CHILDREN	ED	88	137	0	0	225
TITLE IV-E FOSTER CARE	F	2,623	127	0	0	2,750
AGED, BLIND, DISABLED (ABD)	ED	86	29,312	28,779	0	58,177
ABD NURSING HOME	ED	2	220	814	0	1,036
WORKING DISABLED	ED	0	58	0	0	58
TITLE IV-E ADOPTION ASSISTANCE	F	2,916	120	0	0	3,036
SSI NURSING HOME	ED	40	1,078	885	0	2,003
KATIE BECKETT/TEFRA	ED	2,533	18	0	16	2,567
FAMILY INDEPENDENCE SANCTIONED	F	709	265	0	0	974
LOW INCOME FAMILIES	F	104,140	74,818	35	19	179,012
REGULAR FOSTER CARE	F	2,599	203	0	1	2,803
FAMILY INDEPENDENCE WORK SUPP.	F	0	0	0	0	0
REFUGE ENTRANT	F	6	49	1	0	56
BREAST AND CERVICAL CANCER	ED	0	164	3	0	167
SSI	ED	22,711	66,968	26,847	4	116,530
SSI WITH ESSENTIAL SPOUSE	ED	0	3	0	0	3
OPTIONAL SUPPLEMENT	ED	0	695	1,298	0	1,993
OPTIONAL SUPPLEMENT & SSI	ED	3	1,830	1,217	0	3,050
OCWI PREGNANT WOMEN/INFANTS	PW&I	1,907	27,529	0	1	29,437
OCWI PARTNERS FOR HEALTHY CHN	C	308,493	10,846	0	342	319,681
RIBICOFF CHILDREN	F	0	0	0	0	0
Total Regular Medicaid		**522,719**	**249,011**	**79,017**	**425**	**851,172**
FAMILY PLANNING WAIVER	F	4,528	105,734	4	0	110,266
ISCEDC/COSY CHILDREN	ED	0	0	0	0	0
QUALIFIED MEDICARE BENEFICIARY	ED	0	0	0	0	0
SILVER CARD	ED	0	20	57,063	31	57,114
Grand Total		**527,247**	**354,765**	**136,084**	**456**	**1,018,552**

Major Coverage Groups	0 - 18	19 - 64	65+	Unknown	Total
Low Income Families (F)	150,128	209,922	46	21	360,117
Elderly/Disabled (ED)	25,689	106,463	136,038	51	268,241
Pregnant Women and Infants (PW&I)	42,937	27,534	0	42	70,513
Children (C)	308,493	10,846	0	342	319,681

APPENDIX O

DEPARTMENT OF HEALTH AND HUMAN SERVICES
MEDICAID ELIGIBLES BY PAYMENT CATEGORY AND AGE GROUP
STATE FISCAL YEAR 2003

Payment Category	Group	0 - 18	19 - 64	65+	Unknown	Total
MAO (NURSING HOME)	ED	12	2,367	14,639	0	17,018
MAO (EXTENDED/TRANSITIONAL)	F	39,426	28,230	2	5	67,663
OCWI (INFANTS)	PW&I	32,737	28	0	64	32,829
MAO (FOSTERCARE/ADOPTION)	F	1,190	172	0	0	1,362
MAO (GENERAL HOSPITAL)	ED	12	154	98	0	264
MAO (WAIVERS-HOME&COMMUNITY)	ED	204	3,215	4,254	0	7,673
PASS ALONG EILGIBLES	ED	66	151	8	0	225
EARLY WIDOWS/WIDOWERS	ED	0	1	0	0	1
DISABLED WIDOWS/WIDOWERS	ED	0	2	0	0	2
DISABLED ADULT CHILDREN	ED	0	9	0	0	9
PASS ALONG CHILDREN	ED	133	179	0	0	312
TITLE IV-E FOSTER CARE	F	2,640	127	1	2	2,770
AGED, BLIND, DISABLED (ABD)	ED	99	27,459	27,680	1	55,239
ABD NURSING HOME	ED	1	236	658	0	895
WORKING DISABLED	ED	0	67	1	0	68
TITLE IV-E ADOPTION ASSISTANCE	F	2,729	200	0	1	2,930
SSI NURSING HOME	ED	40	1,064	875	0	1,979
KATIE BECKETT/TEFRA	ED	2,395	18	0	18	2,431
FAMILY INDEPENDENCE SANCTIONED	F	3,194	1,123	1	0	4,318
LOW INCOME FAMILIES	F	103,987	72,221	30	48	176,286
REGULAR FOSTER CARE	F	1,860	141	0	0	2,001
FAMILY INDEPENDENCE WORK SUPP.	F	0	0	0	0	0
REFUGE ENTRANT	F	3	27	0	0	30
BREAST AND CERVICAL CANCER	ED	0	133	1	0	134
SSI	ED	21,236	66,689	27,987	36	115,948
SSI WITH ESSENTIAL SPOUSE	ED	0	5	0	0	5
OPTIONAL SUPPLEMENT	ED	0	710	1,340	0	2,050
OPTIONAL SUPPLEMENT & SSI	ED	0	1,842	1,307	0	3,149
OCWI PREGNANT WOMEN/INFANTS	PW&I	2,595	25,784	0	8	28,387
OCWI PARTNERS FOR HEALTHY CHN	C	303,308	9,448	0	709	313,465
RIBICOFF CHILDREN	F	2	0	0	0	2
Total Regular Medicaid		**517,869**	**241,802**	**78,882**	**892**	**839,445**
FAMILY PLANNING WAIVER	F	3,975	94,041	5	0	98,021
ISCEDC/COSY CHILDREN	ED	0	0	0	0	0
QUALIFIED MEDICARE BENEFICIARY	ED	0	0	0	0	0
SILVER CARD	ED	0	2	52,521	0	52,523
Grand Total		**521,844**	**335,845**	**131,408**	**892**	**989,989**

Major Coverage Groups	0 - 18	19 - 64	65+	Unknown	Total
Low Income Families (F)	159,006	196,282	39	56	355,383
Elderly/Disabled (ED)	24,198	104,303	131,369	55	259,925
Pregnant Women and Infants (PW&I)	35,332	25,812	0	72	61,216
Children (C)	303,308	9,448	0	709	313,465

APPENDIX P

Current South Carolina Medicaid Waivers

1) CLTC Elderly/Disabled Medicaid Waiver – 1915(c) waiver initiated in 1984

The Elderly/Disabled Medicaid waiver program targets disabled individuals 18 years of age or older and offers case management, personal care, companion services, home-delivered meals, adult day health care and nursing services, environmental modifications, respite care, attendant care, personal emergency response systems and incontinence supplies. Eligibility for the E/D waiver is twofold: clients are required to meet categorical and financial guidelines of Medicaid eligibility in addition to medical eligibility criteria (nursing home level of care).

Number served: 11,000 (admissions are frozen at this level, with replacement of slots occurring only as consumers exit the program)
Waiting list: 3,321 as of 01/01/04
Expenditures: $69,000,446

***Note**: An Independence Plus waiver operates in conjunction with the E/D waiver for the SC Choice Program. This waiver allowed DHHS to offer consumer directed care alternatives to E/D clients. The pilot operated in Spartanburg, Cherokee and Union Counties during SFY 2004, and will be extended statewide during SFY 2005.*

2) SC Choice Waiver - 1915(c) waiver initiated in 2003

SC Choice operates in conjunction with the Elderly/Disabled waiver, offering consumer directed care alternatives. (The program was only operational in three counties during FY04, with statewide expansion scheduled throughout FY05 beginning January.)

Number served: 69 persons
Expenditures: $52,679.

3) HIV/AIDS Waiver – 1915(c) waiver initiated in 1988

The CLTC HIV/AIDS Medicaid waiver assists persons of all ages who have HIV disease or AIDS. The services help a person stay at home as long as possible and avoid extended hospital stays. The AIDS waiver offers case management, personal care, home-delivered meals, private duty nursing, foster care, attendant care, environmental modifications, two additional prescription drugs, companion services, incontinence supplies, and nutritional supplements.

Number served: 990 as of 01/01/04
Waiting list: none
Expenditures: $4,170,181.

4) Ventilator Dependent Waiver – 1915(c) waiver initiated in 1994

The CLTC Ventilator Dependent Medicaid waiver assists persons 21 and over who are dependent upon mechanical ventilation and wish to remain in the community. The services help a person stay at home as long as possible and avoid extended hospital and sub-acute care stays. The vent waiver program offers personal care, attendant care, private duty nursing, additional prescription drugs, personal emergency response systems, environmental modifications, additional durable medical equipment and supplies.

Number served: 33 as of 01/01/04
Waiting list: none
Expenditures: $743,323.

5) Mental Retardation and Related Disabilities (MR/RD) Waiver (operated by SC DDSN) – 1915(c) waiver initiated in 1991

The MR/RD waiver serves individuals of any age with mental retardation or related disabilities and allows them to receive a broad range of special services to help them live in the community rather than institution. The MR/RD waiver services include: day habilitation, supported employment, residential habilitation, prevocational services, personal care, environmental modifications, respite care, DME/assistive technology, additional prescription drugs, audiology services, speech/language services, companion services, physical therapy, occupational therapy, psychological services, nursing, adult dental, adult vision, vehicle modification, adult day health, and behavior support services.

Number served: 4574 as of 3/1/04
Waiting list: 248 (regular) + 44 (critical) = 292 as of 9/16/03
Expenditures: $170,44,026

6) Head and Spinal Cord Injuries (HASCI) Waiver (operated by SC DDSN) – 1915(c) waiver initiated in 1995

The HASCI waiver serves individuals of any age with impairments involving head and/or spinal cord inquiries. In addition to the financial eligibility criteria for Medicaid, recipients must meet either the nursing home level of care or ICF-MR level of care. The HASCI waiver services include: physical therapy, occupational therapy, prescription drugs, psychological services, nursing, day habilitation, residential habilitation, respite care, personal emergency response systems, attendant care services, specialized supplies and adaptations, communication services, supported employment, and pre-vocational habilitation.

Number served: 458 as of 3/1/04
Waiting list: 117 (regular) + 1 (critical) as of 2/17/04
Expenditures: $11,183,049.

7) Family Planning Waiver– 1115 demonstration waiver initiated in 1994

The Family Planning Waiver's goal is to reduce the number of unintended and unwanted pregnancies that would result in births that would otherwise be reimbursed under the South Carolina Medicaid program. It is voluntary and covers all women of reproductive age with incomes at or below 185% of the Federal Poverty Level who want or need pregnancy prevention services.

Number served: 59,800
Expenditures: $9,085,492 (does not include other state agencies expenditures)

8) Medically Fragile Children's Program– 1915 (a) waiver initiated in 1996

This waiver enables the state to limit providers of this service due to the intensity of the service delivery package. Unlike other waivers, the 1915 (a) waiver does not require approval or renewal from the Centers for Medicare and Medicaid (CMS).

The MFCP is a centered based program of health services that serves children with complex, chronic illnesses and disabilities through an interdisciplinary treatment team approach. MFCP works with the child and caregiver delivering a multifaceted program of individualized, coordinated care. DHHS contracts with Palmetto Health Richland to operate MFCP in Columbia and Easley. The Medical University of South Carolina in Charleston is starting a MFCP program that is scheduled to be operational in the spring of 2005.

Number served: 120
Expenditures: $1,391,865

9) SILVERxCARD –1115 demonstration (Pharmacy Plus) waiver initiated in 2003

The SILVERxCARD program provides a comprehensive pharmacy benefit to low income seniors. Through this program, non-Medicaid eligible South Carolina residents who are 65 years of age or greater, have no other prescription insurance, and are at or below 200% of the Federal Poverty Level receive the pharmacy services benefit through the South Carolina Medicaid program.

Number enrolled: 57,114
Number served: 30,368
Expenditures: $43,646,545

Pending waivers : Non-emergency Transportation Broker & SC Medicaid Choice

Values

The characteristics by which we will do our jobs at DHHS:

Service	we are dedicated to service; we will place others first.
Excellence	we are committed to constant improvement and will persevere in achieving quality with efficiency.
Responsive	we will be alert and react quickly to the needs of those we serve; we embrace opportunities to improve our processes.
Value	we will ensure that all of our decisions and actions are measured by the value they return; we guarantee honest and open measurement of outcomes.
Everyone	we are a team; every employee is involved in our success; we believe in servant leadership and empowering employees to solve customer problems; as a team we will encourage and hold each other accountable.